

## 1. Basic Information

<b>Name</b>	Taipei Exchange
<b>Location of headquarters</b>	15F., No. 100, Sec. 2, Roosevelt Rd., Zhongzheng Dist., Taipei City
<b>Year established</b>	1994
<b>Primary scopes of service</b>	Supporting SMEs and micro-enterprises in the emerging high-tech industries, and the innovation and creativity industry in listing and fund-raising, and operating a diversified market trading business including stocks, bonds, ETFs, ETNs, call (put) warrants, and over-the-counter derivatives, covering centralized trading and negotiated trading.
<b>Primary market</b>	Taiwan
<b>Business locations</b>	Guting Office, Taipei City Banqiao Office, New Taipei City Taipei Taipower Backup Office Banqiao Server Room, New Taipei City Taichung Remote Backup Server Room, Taichung City
<b>Number of employees</b>	303
<b>Total assets</b>	NT\$23.42 billion



## 2. History

Taiwan's over-the-counter (OTC) market took shape with the Taiwan Securities Association since February 1988. The Ministry of Finance subsequently decided to establish TPEX in 1993, 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).



### Starting



### Growing



### Maturing



#### 1994~1999

- TPEX formally established (1994/11)
- Electronic trading system (for the main board) formally launched (1994/12)
- TPEX Capitalization Weighted Stock Index formally announced, with 100 points as the base (1995/11)
- Regulations Governing Implementation of the Market Surveillance System for Securities Traded on the TPEX promulgated (1996/5)
- TPEX trading opened to foreign investment (1996/7)
- Launched Administration of the Joint Responsibility System Clearing and Settlement Fund (1998/12)
- Margin trading launched (1999/1)
- TPEX block trading system rules published and implemented (1999/8)

#### 2000~2004

- Electronic Bond Trading System (EBTS) launched for outright trading (2000/7)
- Established the Emerging Stock Market (2002/1)
- Joined IOSCO as an affiliate member (2002/5)
- Officially launched the System (MOPS) (2002/8)
- Launched call (put) warrants (2003/3)
- Emerging Stock Computerized Price Negotiation and Click System introduced (2003/9)

#### 2005~2009

- Bond Repo Trading Platform launched (integrated into the Electronic Bond Trading System) (2005/3)
- Obtained ISO 9001 quality management system certification (2005/10)
- Launched Formosa Bonds (2006/11)
- Obtained ISO 27001 information security management system certification (2006/11)
- Derivatives trading system introduced (2007/3)
- First registration of shares as emerging stock by a foreign enterprise (2009/5)
- Launched system for trading of foreign government bonds (2009/11)

### Expanding

#### 2010~2014

- Became WFE (The World Federation of Exchange) Affiliate Member (2010/4)
- Launched "TPEX 50 Index" and "Taiwan Bond Index" (2010/4)
- First primary listing of shares by a foreign enterprise on the TPEX (2010/6)
- Information Platform for the Chain of Industrial Value Creation formally launched (2010/12)
- TPEX 50 ETF and Taiwan Government Bond ETF listed on the TPEX (2011/1)
- First TPEX listing of TDRs of a foreign enterprise (2011/2)
- Gain a full membership in WFE (2011/10)
- Obtained ISO 20000 information service system certification (2012/10)
- First Renminbi-denominated bond launched, named Formosa Bond (2013/3)
- Gain a full membership in AOSEF (2013/4)
- Joined CCP12 as a member (2013/9)
- Obtained BS10012 personal data management system certification (2013/9)
- Launched the "Go Incubation Board for Startup and Acceleration Firms" (2014/1)
- Launched TPEX Labor Employment 88 Index (2014/5)
- Launched TPEX Compensation Index (2014/8)
- Launched listed open-ended funds platform (2014/10)
- Launched IRS early unwind system (2014/11)
- Launched IRS trading system platform (2014/12)

### Deepening

#### 2015~2019

- Officially launched the gold trading platform (2015/1)
- Launched "Equity Crowdfunding Conducted by Securities Firms" business (2015/4)
- Launched gold warrants (2016/9)
- First batch of green bonds listed (2017/5)
- Awarded Green Bond Pioneer Exchange introducing new listing guidelines in 2017 (2018/3)
- Launched "TPEX 200" (2019/3)
- First 3 ETNs listed (2019/4)
- Permitted the issuance and listing of Sukuk (Islamic fixed-income securities) (2019/6)
- Recognized by US SEC as designated offshore securities market (2019/9)

### Leaping

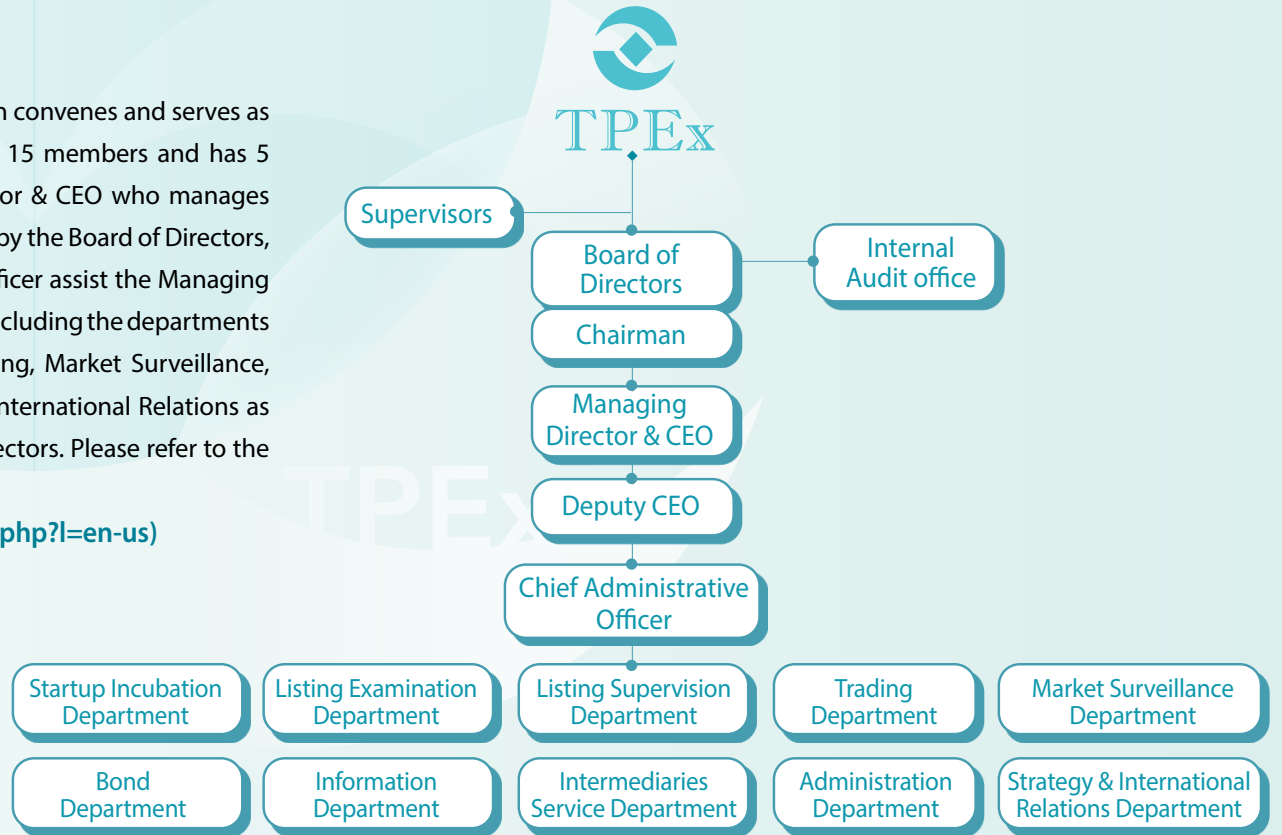
#### 2020~2024

- Announced the regulations governing Security Token Offerings (STO) (2020/1)
- Adopting continuous trading (2020/3)
- TIP TPEX ESG Index introduced (2020/6)
- Established the Sustainability Bond Market (2020/10)
- Adopting Intraday odd lot trading (2020/10)
- In 2020, the total amount of bonds issued in the market exceeded NT\$3 trillion. (2020/11)
- Obtained ISO 22301 business continuity management system certification (2020/12)
- Sustainable Bond Market launched (2021/5)
- Adopting Market Maker and Liquidity Provider Programs (2021/6)
- Pioneer Stock Board (PSB) established (2021/7)
- Sustainability-Linked Bonds market launched (2022/7)
- Launched TIP TPEX ESG 30 Index (2022/9)
- Launched TPEX FactSet Climate Resilience Index Series (2023/9)

### 3. Organizational Structure

The Board of Directors is the highest governance body. The Chairman convenes and serves as the chairman of the meeting. The Board of Directors is composed of 15 members and has 5 supervisors to supervise its operation. TPEX has one Managing Director & CEO who manages organization business in accordance with the business policies decided by the Board of Directors, while one or two Deputy CEOs along with one Chief Administrative Officer assist the Managing Director & CEO in handling business. TPEX has 10 business departments including the departments for Startup Incubation, Listing Examination, Listing Supervision, Trading, Market Surveillance, Bond, Information, Intermediaries Service, Administration, Strategy & International Relations as well as an Internal Audit Office that reports directly to the Board of Directors. Please refer to the official website of TPEX for the main business of each department.

(<https://www.tpex.org.tw/web/about/introduction/organization.php?!=en-us>)



### 4. Core Businesses

TPEX is dedicated to promoting the operation and development of the securities market. In alignment with national economic policies, TPEX endeavors to foster characteristic Taiwanese enterprises, develop new products, boost market turnover, and actively engage in international cooperation and exchanges with other capital markets to explore innovative business opportunities. Over the years, TPEX has evolved into a highly unique provider of financial products and services in the international market.

Under the strategic goal of building a multi-functional and multi-tiered full-fledged exchange, TPEX has strived to become a service center for corporate financing and financial products trading. We support emerging and high-tech industries, creative industries, small and medium enterprises, and micro-enterprises by providing a viable channel for listing and capital raising, and remain dedicated to becoming a multi-functional market that offers platforms for both centralized trading and over-the-counter negotiated trading of a wide variety of products, including stocks, bonds, warrants, ETFs, ETNs, and derivatives to meet the diverse trading needs of investors.

## TPEX Trading Services and Financial Products

TPEX Market	<b>Centralized Computer Bidding System</b>	<b>TPEX Listed Securities</b>	<ul style="list-style-type: none"> <li>• TPEX Main Board Stocks</li> <li>• Taiwan Depository Receipts (TDR)</li> <li>• Convertible/exchangeable corporate bonds</li> <li>• Call (put) warrants</li> <li>• Exchange-Traded Funds (ETFs)</li> <li>• Exchange-Traded Notes (ETNs)</li> </ul>
		<b>Emerging Stock Market - Pioneer Stock Board (PSB)*</b>	
	<b>System Negotiated Transaction</b>	<b>Emerging Stock Market - General Board (ESB)</b>	
		<b>Listed Open-Ended Funds</b>	
		<b>Gold</b>	
	<b>System Negotiated Transaction and OTC Negotiation</b>	<b>Bonds</b>	<ul style="list-style-type: none"> <li>• Government bonds</li> <li>• Corporate bonds</li> <li>• International bonds</li> <li>• Financial debentures</li> <li>• Foreign bonds</li> <li>• Beneficiary certificates</li> </ul>
		<b>Derivatives</b>	<ul style="list-style-type: none"> <li>• Interest rate swaps</li> <li>• Bond derivatives</li> <li>• Credit derivatives</li> <li>• Equity derivatives</li> <li>• Structured notes</li> <li>• Foreign exchange derivatives</li> <li>• Asset swaps</li> </ul>
	<b>Equity Crowdfunding</b>	<b>Go Incubation Board for Startup and Acceleration Firms (GISA) stocks</b>	
	<b>Information Platform</b>	<b>Industrial Value Chain Information Platform</b>	

\*Note: To further improve the Emerging Stock Market (ESM), TPEX merged the Pioneer Stock Board (PSB) into the Emerging Stock Board (ESB) on January 1, 2024. The trading of stocks on the merged board will follow the negotiated trading system previously used by the ESB.

## TPEX Commodity Trading Methods

Trading methods of Main Board securities and emerging stocks:

Item	Main Board securities	Emerging stocks	
		PSB Stocks*	ESB Stocks
<b>Main Board securities</b>	1. Order driven 2. Computerized automatic trading 3. Price priority + time priority 4. The opening and closing adopt call auction; the intraday transactions are conducted on continuous trading.	1. Computerized automatic trading 2. The advisory recommending securities firms shall act as liquidity providers.	1. Quotation driven 2. System negotiated transaction 3. Quotation from the recommending securities determines the transaction price 4. The system automatically assists in concluding the transactions of the orders meeting the price quoted; the recommending securities firms click and select the order not meeting the price quoted for concluding the transactions.
<b>Trading time</b>	09:00 ~ 13:30 (the closing may be postponed until 13:33)		09:00 ~ 15:00

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## Trading methods of bonds and derivatives

Item	System negotiation	OTC negotiation
<b>Participants</b>	Dealers only	All
<b>Trading bonds</b>	Book-entry bonds, regular corporate bonds and financial debentures	All
<b>Trading time</b>	9:00 ~ 13:30	9:00 ~ 15:00
<b>Trading methods</b>	Online quotation transactions	Telephone transactions
<b>Trading unit</b>	NT\$50 million	Government bonds NT\$0.1 million
		Financial debentures and corporate bonds NT\$0.01 million
		International bonds Depending on the currency

## Trading Value

unit : NT\$ 0.1 billion

<b>Average daily trading value of stock</b>	Main Board	704.91
	Emerging Stock Market	28.10
	Emerging Stock Board	28.05
	Pioneer Stock Board	0.05
<b>Average daily trading value of equity warrants</b>		7.19
<b>Average daily trading value of ETFs/ETNs and open-ended fund</b>	ETF	51.76
	ETN	0.04
	Open-ended fund	0.0004
<b>Average daily trading value of bond market</b>	Government bonds	64.61
	Financial debentures	3.69
	Corporate bonds (including regular corporate bonds and convertible corporate bonds)	50.53
	Beneficiary certificates	0.00
	International bonds	2.59
<b>Accumulated trading value of new financial commodities of securities</b>	Fixed income trading of convertible bond asset swap	663.19
	Option trading of convertible bond asset swap	1,852.24
	Interest rate derivatives	4,078.01
	Structured products	3,224.38
	Credit derivatives	84.13
	Equity derivatives	843.14
	Foreign exchange derivatives	642.28
	Foreign exchange margin trading	5,910.45
	Commodity CFD	10,408.95
Equity CFD	2,262.18	

## 5. Business Performance

Unit: NTD

	2021	2022	2023
<b>Operating revenues</b>	3,888,544,584	3,317,334,096	3,856,062,525
<b>Operating expenses</b>	2,313,984,349	2,113,253,911	2,328,091,221
<b>Non-operating income and expenses</b>	87,186,208	61,338,323	262,122,445
<b>Surplus after income tax</b>	1,343,196,926	1,019,584,141	1,482,898,545
<b>Income tax expense</b>	318,549,517	245,834,367	307,195,204

