

TDCC

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Major Accomplishments of TDCC in 2018

TDCC has been cultivating the digital finance environment in Taiwan, and some substantial encouraging outcomes can be easily observed in the past years. With business becoming more mature, 2018 proved to be a record-breaking year and marked strongest performance in company history.

With regards to coordinating with the authorities in regulating and supervising the market, TDCC launched an AML/CTF Screening Platform to comply with the request from Ministry of Justice in 2016. Two years later, in collaboration with the Ministry of Economic Affairs, the Company Transparency Platform was set up to fulfill

our obligations in anti-money laundering and countering terrorist finance. TDCC has been supporting the authorities to implement the Corporate Governance Roadmap. In 2018, about 1,700 listed companies in total have adopted the e-voting system, considering “STOCKVOTE” their primary channel to cast votes. This is a remarkable milestone for Taiwan in Corporate Governance.

As for cultivating the digital finance environment in Taiwan, TDCC released ePASSBOOK 2.0 app with four major features – integrated asset portfolio, cloud transaction statement, personalized push notification, and stock information enquiry. In terms of fund business, the Fund Clear Platform has successfully integrated both onshore and offshore fund information portals. Investors now can take full advantage of this service through TDCC’s website and inquire all data from the market, offshore or otherwise. Moreover, the upgraded Securities Depository System was launched in 2018, strengthening core business data system and shortening data processing time.

In the aspect of globalization, TDCC, with the supports from ACG members, successfully set up the "Investor Services Task Force". From that point forth, TDCC will proactively enhance cooperation among ACG members to further strengthen Asia’s global competitiveness via Taiwan.

On the matter of social concern and corporate social responsibility (CSR), TDCC extended our social welfare involvements further into arts and supported the making of a documentary in traditional Taiwanese glove puppetry in 2018. TDCC also held a contest in contemporary art appreciation so that talented young artists can be acknowledged. At the same year, we published the very first internationally credited CSR report and it was granted with the Corporate Citizen Award (CommonWealth Magazine, Taiwan) and Taiwan Corporate Sustainability Awards.

For the coming year, TDCC will carry on our mission to excel in meeting the diversified market demands with technology innovations. TDCC will refine the integrated information in our ePASSBOOK app, and launch brand new visualized fund services for Fund Clear platform. As for the conformity to the guidelines of improving shareholder activism under Corporate Governance Roadmap, Investor Relation Platform is also activated this year. Additionally, the construction of Experimental Project for Self Pension Saving Investment, a close collaboration between TDCC and FundRich Securities, is in full swing in hopes of encouraging our investors to prepare their lives after retirement with long term and early planning.

"Both Business Value and Social Value are equally significant to us," stated TDCC Chairman & CEO, Mr. Sherman Lin. In the future, TDCC will emphasize the sustainable development to create innovative business models, and leverage grand spill-over benefits with the applications of big data and the added values from platform economics. TDCC is also upholding the belief of “Giving Back to Society What Society Gave Us”, and participating in charities and philanthropic events in order to fulfill our responsibilities to the society.



TDCC Chairman & CEO Mr. Sherman Lin speaks in a press conference

TDCC IR Platform Kicks Off, Expanding the Stockvote Ecosystem

Guided by the Corporate Governance Roadmap 2018-2020, TDCC launched its new Investor Relations Platform (IR Platform) on Friday, March 15. This was followed by an international conference which featured emerging but critical issues regarding international trends in annual general meetings, Environmental, Social and Governance (ESG) implications, and investor relation's practices. The grand event attracted close to 200 delegates from not only listed companies, but also government funds, insurance companies, and asset managers, securing strong support from participants.

Financial Supervisory Commission (FSC) Chairman Wellington Koo said a good investor relationship helps companies understand the needs of investors, opens a dialogue between the two parties, and therefore obtains long-term support from investors. The IR Platform will provide a channel for investors to communicate with the companies, promote direct engagement and implement the corporate governance concepts.

TDCC Chairman & CEO Mr. Sherman Lin said at the ceremony that the company has continued to expand its electronic voting ecosystem (Stockvote Ecosystem) since its debut in 2009 through an array of innovations, including the launch of the Stockvote platform for domestic voting, Straight Through Processing (STP) for cross-border voting, and several mobile voting solutions. This has enhanced Taiwan's competitiveness in the world's capital markets.

The newly-launched IR platform represents the latest expansion of the Stockvote Ecosystem, greatly enhancing the functionality to users, Lin added. The platform will provide necessary IR information to investors to aid them in accessing more than 1,700 Taiwanese companies, thereby fulfilling their increasing needs for direct engagement with companies. For ESG, by visualizing data from leading ESG research firms, the platform gives an overview of the ESG ratings of Taiwanese companies, providing a baseline for companies to improve their corporate governance.

In the future, TDCC is committed to providing more solutions to Taiwanese companies, and further expanding the Stockvote ecosystem. By cooperating with leading global partners, TDCC aims to enhance corporate governance in Taiwan, in line with global trends.



TDCC Supports Experimental Project for Self Pension Saving Investment

To promote Taiwanese citizens' awareness of the need for retirement plans and self saving investments, Mr. Wellington L. Koo, Chairman of FSC, proposed "Experimental Project for Self Pension Saving Investments" at the end of 2018. TDCC, Securities Investment Trust & Consulting Association (SITCA), Securities and Futures Institute, FundRich, and securities investment trust and consulting enterprises are mandated to cooperate and promote the project. Representatives, professionals, and scholars are designated by FSC, Ministry of Education, SITCA, Pension Funding Associate, and Taiwan Confederation of Trade Unions to form an initiative and consulting committee. Mercer, a global consulting company, also works as consultant.

With a view to providing more diversified investment solutions, investment and trust companies participating in the project need to design either "Target Risk Fund of Funds" or "Target Date Fund of Funds". "Target Risk Fund of Funds" are categorized into aggressive, moderate, and conservative funds, while "Target Date Fund of Funds" are classified into three different expected retirement dates. In terms of investment policies, risks, returns and asset allocation of stock and bond funds are subject to different risk types or retirement dates. To develop Taiwan's capital market and expand Taiwan's securities industry, a certain proportion of investment in Taiwan stock funds are also required in this project. In addition, in compliance with the project, investment and trust companies should provide products for self pension saving



investments, and investors can subscribe to them through monthly systematic investment plans. A nonstop 24-month subscription for the funds in this project guarantees lower management fees and free sales load. The project is scheduled to be launched online at the end of July 2019.

ePASSBOOK 2.0 App Successfully Launched

TDCC launched the ePASSBOOK 2.0 app in November 2018, and there has been a total of over 500,000 activated accounts since the application went live.

The newly updated TDCC ePASSBOOK app provides four major features, including integrated asset portfolio, cloud transaction statement, personalized push notifications, and stock information enquiry, allowing investors to manage assets more easily. With the co-promotion of the securities firms, more investors are using new functions of the updated app.

Statistics have shown that before ePASSBOOK 2.0 app went live, there was an average daily increase of 980 accounts; after the application went live, the daily average soared to 2,000 accounts. This means that there was a growth of nearly 90,000 accounts in a short period of two months, showing that in this digital age, investors are pleasantly willing to embrace digital services, and the newly updated ePASSBOOK app has become the major platform for investors to manage their assets, to receive corporate action notifications, and to keep updated of market information.

Continuous Trading to be Implemented on March 23, 2020

As major capital markets are matching with continuous trading, the TWSE will implement the continuous trading system during intraday regular trading sessions on March 23, 2020. It is expected to improve trading efficiency and information transparency. Orders will still be matched by call auction at the end of the opening and closing sessions.

New order types such as market order, Immediate or Cancel (IOC), and Fill or Kill (FOK) will be available during the continuous trading session. Intra-day volatility interruption will be slightly modified for continuous trading in order to limit extreme price fluctuation.

Whenever the trading system detects that the potential execution price of a specific stock will fall out of a specified range ($\pm 3.5\%$) as compared to the weighted average traded price over the preceding five minutes (reference price), matching for that stock will be postponed for two minutes.

As for information disclosure, the trading prices, volume, and best five bid/ask prices will be disclosed on a real-time basis. A five-second snapshot is also provided.

Continuous Trading webpage:

<http://www.twse.com.tw/en/page/trading/information13.html>

For further inquiries, please contact Ms.Pon at 1220@twse.com.tw

TDCC Launches Brand New Visualized Fund Services for Announcement and Inquiry

To provide domestic fund investors with a faster and more accurate access to fund market information, TDCC has been gradually constructing “Off-shore Fund Information Announcement Platform” and “Futures and Trust Fund Information Announcement Platform” since 2005 to enable investors gain fund information as reference for investment decisions. Besides, considering the lack of a single portal for investors to inquire about complete onshore and offshore fund information, and investors need to inquire about onshore fund information at the official website of Securities Investment Trust & Consulting Association of R.O.C; hence, in 2018, TDCC and Securities Investment Trust & Consulting Association cooperated and set up an integrated web portal to onshore and offshore fund information--Fund Clear (www.fundclear.com.tw). Investors can gain real-time, neutral, comprehensive, and objective information on onshore and offshore funds through the website. It has reached nearly 500,000 views since it went online in 2018, showing the new service is highly effective and positively recognized.

In order to make Fund Clear the assistant tool for investment decision, TDCC used the existing data, and applied Fintech as well as intelligence softwares to provide more functions. The new service adds enquiry function to each fund statistics from different categories, utilizes graph visualization to present market statistics, and offers investors simple and intuitive integrated charts to keep them updated on the ever-changing fund market. The new service successfully went live on January 16, 2019.

FUNDCLEAR

Fund Information Observation System
Informative and interactive



Provide a single
integrated access



Assist investors with
grasping investment
trends



Display diverse
aspects of statistics



Protect
investors' rights

www.fundclear.com.tw

Investor Relations Platform Coming on Stream



In the Corporate Governance Roadmap 2018-2020, FSC specifies “the facilitation of the exercise of shareholders rights and the urging of companies to implement corporate governance” as one of its major strategic objectives. In order to achieve that objective, the FSC has instructed TDCC to build a bilingual (Chinese and English) Investor Relations Platform (IR Platform) to strengthen communication between institutional investors and issuing companies, and to provide institutional investors an easier access to information about investor services, corporate governance and the operations of e-voting in Taiwan, raising the international visibility of Taiwan. The platform is now available at <https://irplatform.tdcc.com.tw>

The platform compiles the profiles of all issuing companies in Taiwan and provides around-the-clock services using the responsive web design (RWD) technology so that investors can access information they need via a PC or mobile device freely, without the constraint of time nor space. Major features of the platform are as follows:

1. Corporate governance news:

The homepage displays the latest news about corporate governance and e-voting so that visitors understand how the e-voting system works in Taiwan to meet the government policy of increasing international visibility of Taiwan capital market.

2. Investors’ service information:

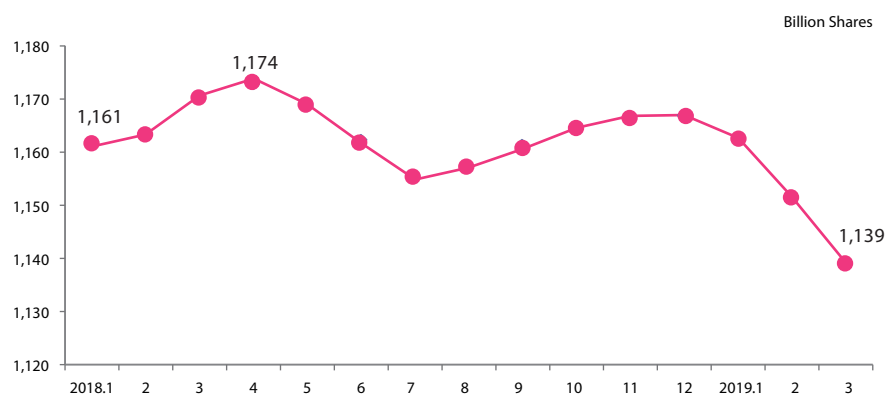
The platform compiles the general information about issuing companies on the Market Observation Post System in a single page, including the name, title, phone number and email address of a firm’s IR contact person, website link and spokesperson contact information. Visitors can quickly screen and search services available to investors with the “watchlist” function.

3. ESG rating information:

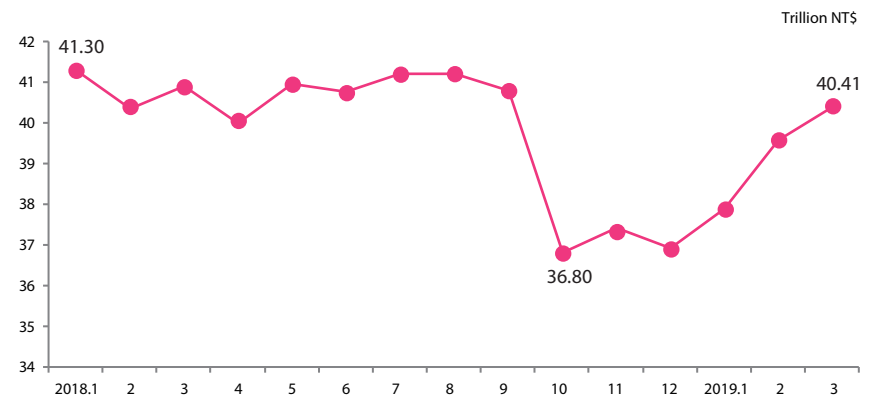
TDCC has worked with Sustainalytics, a foreign institute specializing in corporate ESG research to display research results in easily understandable charts so that corporate issuers know what their ESG ratings are.

The platform was officially launched this year, and has since been running smoothly. The platform will continue to expand partnership with local and overseas organizations to serve as a pivotal facilitator of investor relations between institutional investors and issuing companies in Taiwan by providing more well-rounded corporate governance information.

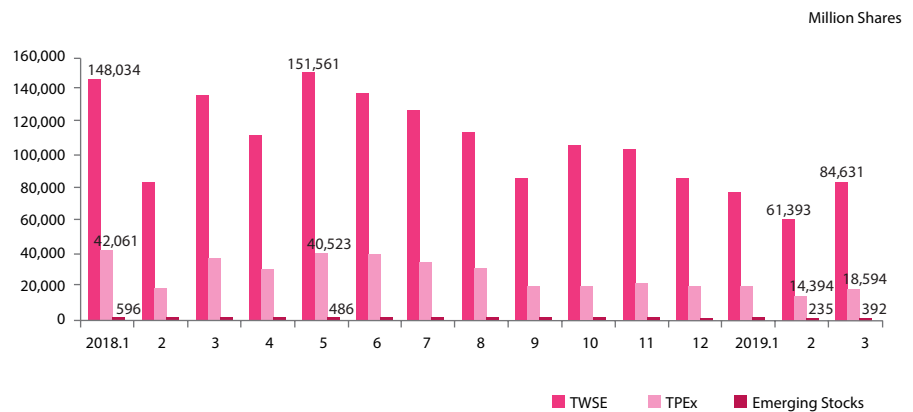
Equities in Custody
(Shares)



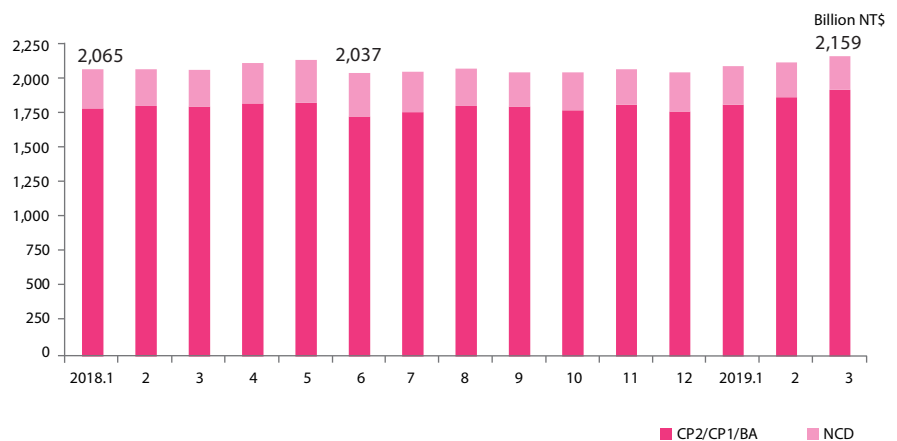
Equities in Custody
(Market Capitalization)



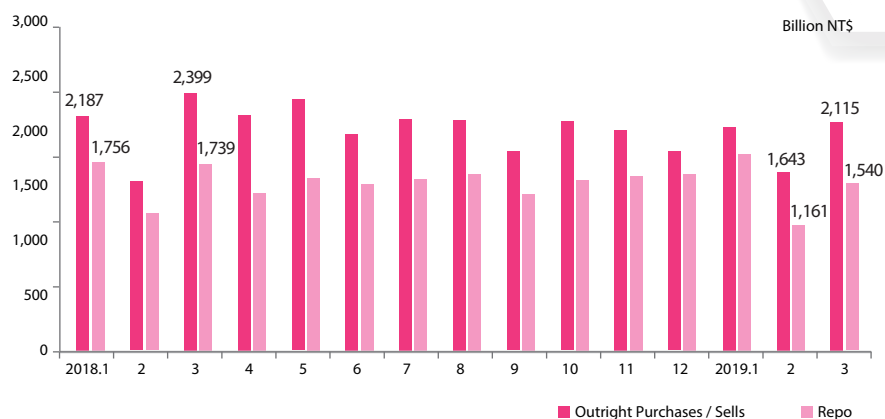
Book-Entry Operations
(Shares)



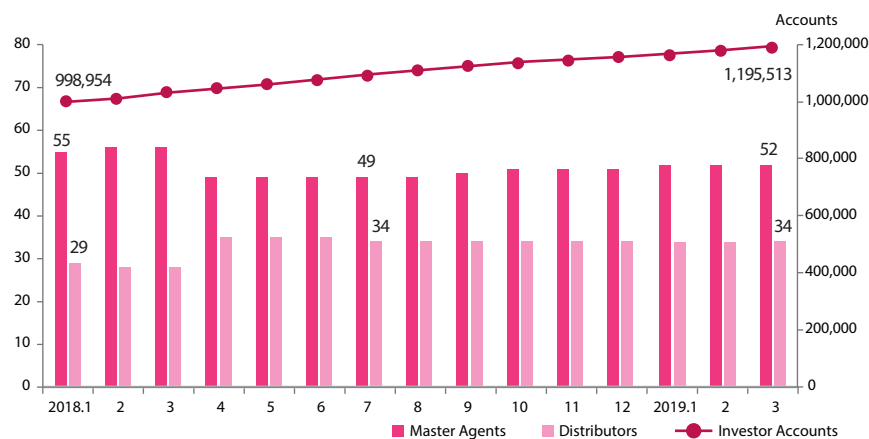
Short-Term
Bills in Custody



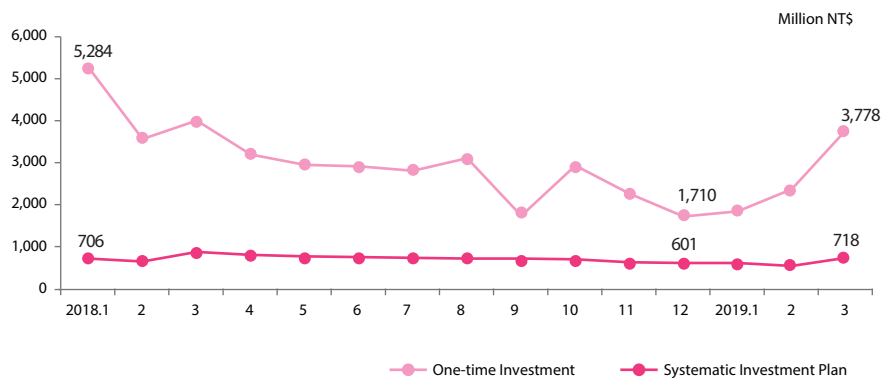
Secondary Market Clearing & Settlement of Short-Term Bills



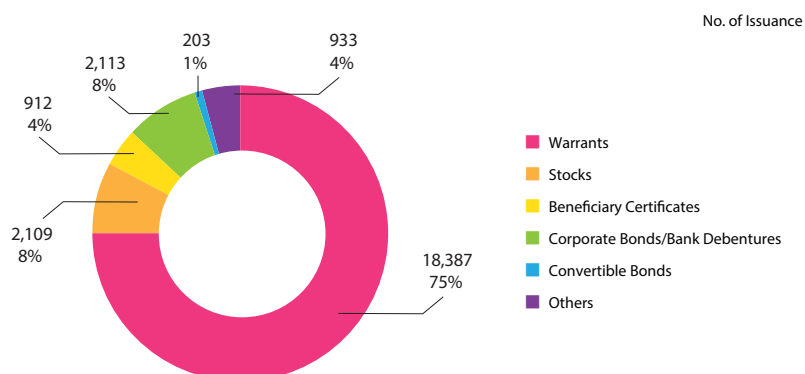
Offshore Fund Operations



Offshore Fund Subscriptions



Registration of Dematerialized Securities



Transition Hall of Taiwan Stock Museum Remodeled

Taiwan Stock Museum made an overhaul of its interactive theater in the Transition Hall in 2018 in order to diversify the exhibition content and fulfill its mission of enhancing financial literacy of the general public. By incorporating cutting-edge digital technologies to allow vibrant, AR-integrated presentations and devising a Fintech corner, the museum aims to introduce to visitors all the basic facts about mutual funds in the hope of helping the public develop the right concepts for mutual fund investment. Some fun simulation games are also provided to give students a trial of fixed-amount, regular investment in mutual fund (also known as a systematic investment plan, or SIP). The new interactive theater was open to visitors again in November 2018, and has since attracted many young visitors. It has been well-received by visiting students and general public alike.

Main exhibitions of Transition Hall include interactive films on what mutual funds are and how fund investments are carried out, fund investment simulation games and Fintech corner.

Interactive film on mutual fund: what it is & how it works

Mutual fund is a financial instrument that fund companies use to collect capital from the general public for investment purposes. It is run by a professional manager or management team and featured as pooling small amount of money to make great investments. The interactive films will give visitors some basic ideas about mutual fund as an investment tool, and shed light on how the fund market and investment work.



Fund investment simulation games

These simulation games allow visitors to find out what it's like to operate a mutual fund. Visitors can choose investment targets on their own, set up SIP parameters and adjust and lengthen of the terms of investment to see how much profit they can expect to receive.

Fintech corner

These handset-shaped displays are installed with TDCC apps. Visitors can try the ePASSBOOK and STOCKVOTE apps to experience some of the most popular Fintech services.

1. ePASSBOOK

As an integral part of TDCC's securities service dematerialization initiative, the ePASSBOOK app allows investors to update their investment account statements with mobile device. Investors can also combine multiple securities accounts in this app, meaning they can have an overview of their positions at different brokerages via the app, making investment management hassle-free.

2. STOCKVOTE

The peak season for shareholders' annual general meetings of listed companies falls in May and June. Up to two hundred companies could convene shareholder meetings on the same day. For investors with stakes in multiple companies, it would be impossible to attend all the meetings at the same time. To help shareholders exercise their rights, TDCC launched the STOCKVOTE app, which allows users to vote online simultaneously.





Chairman & CEO Mr. Sherman Lin (right 6) and President Mr. Ching-Li Meng (right 7) led TDCC's management team to toast to TDCC colleagues at year-end celebration party on January 19, 2019.

TDCC Chairman & CEO Mr. Sherman Lin met with Euroclear Managing Director Mr. Luc Vantomme, and shared opinions on recent business development on January 30, 2019.



TDCC won the Award of Distinction in "Open Digital Government Award" of the DTA Award. The award was presented by the Chairperson of the National Communications Commission (NCC), Ms. Ting-I Chan (left), and received by Senior Executive Vice President Ms. Suh-Yann Tsaur (right) on behalf of TDCC on January 23, 2019.



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