

TDCC

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Chinese Calligraphy : WINTER "冬"

TDCC ePassbook Offers More Advanced Functions

TDCC ePassbook has put many new functions online this quarter, and the two major ones include extending service hour for passbook updates as well as balance inquiry and automatic reissue of open code. More user-friendly services are also provided, such as personalized passbook sequence, and easier password setting. Besides, the first six hundred transaction details can be shown directly in App if they were not updated.

One of the major changes is that all-day balance inquiry services are provided, and transaction detail update services are extended from 7:00 to 24:00. Hard copy balance inquiry and detail update services operate between 7:00 and 19:00. TDCC ePassbook provides update services free from the limitation of operating hours and offers ePassbook users longer service hours; now office workers with mobile passbook can update their passbooks after work.

Another major feature is the automatic reissue of open code. The reissue of materialized passbook needs to be conducted at broker's premises; now TDCC ePassbook users can easily recover the passbook through the reissue of open code and TDCC's authentication of the investor's identity.

The user number of TDCC ePassbook has reached up to 200,000; TDCC has been collecting suggestions and opinions for service improvements so as to give investors access to complete and abundant information as well as more convenient functions.

Special Report

TDCC and MCSD Enter into Cooperative MOU

On 25th September, 2017, TDCC and MCSD signed a Cooperative Memorandum of Understanding, with an aim of improving both parties' international business development and establishing future cooperative mechanism. The signing ceremony, taking place at TDCC, was marked by the official signatures of TDCC Chairman & CEO Mr. Sherman Lin and MCSD Executive Director & CEO, Mr. Shagdar Lkhagva. Mr. Panidjunai Khaliun, Chief Representative of Ulaanbaatar Trade and Economic Representative Office in Taipei, as well as other officials also witnessed the ceremony.

With profound potential, Mongolia's securities market has seen rapid progress. The financial and securities authorities along with associated agencies in Mongolia have sent delegates to Taiwan several times; Financial Supervisory Commission (FSC) R.O.C, Taiwan Stock Exchange Corporation (TWSE), Taipei Exchange (TPEX), Taiwan Securities Association (TSA), and TDCC have also sent delegates to Mongolia's concerned agencies for exchange of Taiwan's capital market system and successful development experience.



The MOU was signed by Chairman & CEO of TDCC, Mr. Sherman Lin (right), and Executive Director & CEO of MCSD, Mr. Shagdar Lkhagva (left), in Taiwan.

As Mr. Sherman Lin pointed out, the long-term cooperation between TDCC and MCSD has lasted over ten years. Bilateral visits, training programs, and exchange have been close; in addition, visits between both Chairman of Taiwanese FSC and Chairman of Mongolian regulatory Commission have been arranged, and plenty of precious opinions and suggestions on securities market administration have also been exchanged. During MCSD's visit this year, exchanges and communications among FSC, TWSE, TSA, and other agencies were also organized to improve bilateral cooperation.

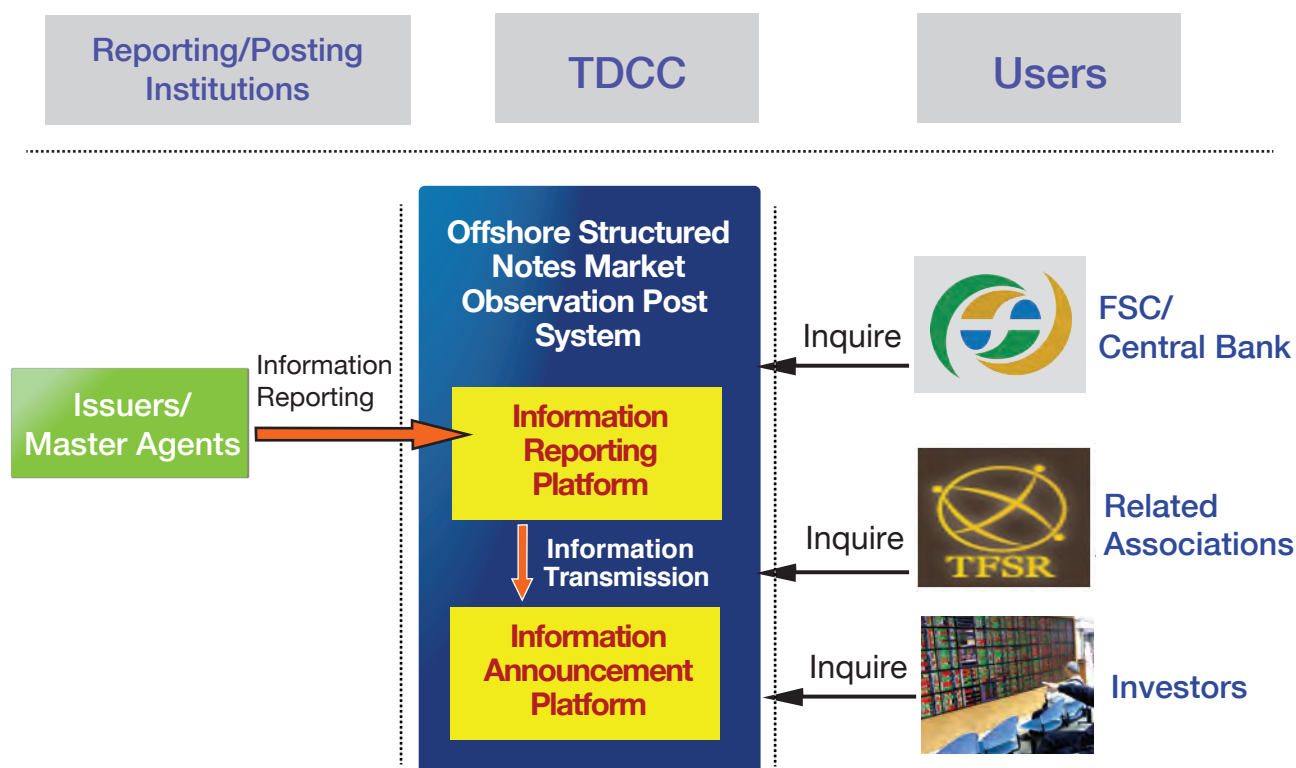
In recent years, TDCC has been devoted to diversified business development. This year's bilateral business exchange involved TDCC's core businesses and other innovative practices such as StockVote, cross-border custody and settlement, TDCC ePassbook, AML/CFT Screening Platform, and investment in the online mutual fund platform "FundRich Securities." MCSD expressed admiration and compliment toward TDCC's convenient operating system and advanced IT system. Also, the rapid and comprehensive application of StockVote to listed companies and drastic advancement of corporate governance ranking from ACGA won considerable praise from MCSD. MCSD also looked forward to opportunities for further cooperation with TDCC in the future.

Offshore Structured Notes Information Reporting and Announcement Services

In compliance with Financial Supervisory Commission's Regulations Governing Offshore Structured Notes, TDCC established Offshore Structured Notes Market Observation Post System in August 2009, revealing related product information issuers/master agents are obliged to reveal on each business day. The services improve product information transparency and provide investors with immediate inquiry services on thorough information of offshore structured notes.

The Offshore Structured Notes Market Observation Post System includes the "information reporting platform" and the "information announcement platform." Through the "information reporting platform," issuers/master agents shall report product overview, daily distribution information, reference price, major announcement and monthly report. Through the "information announcement platform," investors can gain faster access to related information such as issuance and distribution. In addition, the competent authorities and the Central Bank can inquire about related statistical information for market supervision.

Offshore Structured Notes Market Observation Post System Architecture



Fund Investment Simulation Contest Held on Campus

To encourage the stocks and equity funds activities in Taiwan, the competent authority has enjoined Taiwan Depository & Clearing Corporation (TDCC), Securities Investment Trust & Consulting Association (SITCA) and Fundrich Securities to co-promote equity funds market of Taiwan. The “Winning Formula to Fund”, a fund investing simulation contest, hosted by SITCA has gathered youngsters from all campuses, with the registration period of October 1 to 31, and the competition period starts on November 1 and ends on December 29.

For educating and establishing the students with correct money management awareness and proper asset allocation, the youth are expected to learn to verify whether their investment strategies are appropriate through the simulation contest, and to establish risk awareness of investment. During the contest period, the participants will have opportunities to learn from the elites in their fields to obtain the practical asset management experiences. In addition, the championship winning team with the highest ROA at the end of the contest will be rewarded with NT\$ 250,000 cash prize along with the internship in one of the elite asset management companies. We sincerely hope that with a great chance of the contest, students can take their first step into the fascinating realm of investments so as to broaden the funds investment group, and popularize the youth to enjoy the long-term appreciating future of the stocks market in Taiwan.



Services Refined and Advanced New Functions Added to TDCC ePassbook

Fintech has brought an abundance of innovative experiences to the world; TDCC's incorporation of new technology intellect into conventional TDCC passbook put TDCC ePassbook online in March 2017. Collecting opinions from various sources and user experience, TDCC actively adjusted and updated the services and therefore released a variety of functions during the third quarter. The new functions include:

- **Precise push notification:** Users will receive push notification on events regarding their positions, including tender offers, share allotment results, shareholder meetings, dividend announcement and payment, etc.
- **Customized shareholders' affairs information:** TDCC provides detailed information on shareholder meetings and dividend payments related with users' positions.
- **E-voting:** Users can conduct electronic voting through the App.
- **Extension of service hour:** Account balance inquiring service extends to all-day, and transaction records inquiring service is offered from 07:00 to 24:00.
- **Other user-friendly functions:** Users can change display order of their accounts, and set login password easier.

TDCC will continue enhancing the functions of the App, TDCC ePassbook, to provide more tailored services to cater to investors' real needs.

TDCC StockVote® Publish Voting Records for Stewardship Code Signatories

TDCC StockVote® started to publish voting records for Stewardship Code signatories on 20th September, 2017. New function would bring about substantial savings in staff costs and increase the willingness to adopt the Code, in line with international trends, enhancing corporate governance in Taiwan.

Taiwan's Stewardship Code — launched in June 2016 as a critical weapon to improve corporate governance — has been adopted by a grand total of 38 institutional investors. Under Article 5.4 of the Code, an institutional investor is required to carefully record and analyze voting rights so as to facilitate disclosure of the voting activities.

Electronic voting is essential to corporate governance. Meanwhile, the disclosure of voting records is a key indicator of the implementation of the Code. Therefore, TDCC published voting records on StockVote® platform providing institutional investors to query and download records classified into different categories.

It is available for institutional investors who have signed the Code to inquire into voting records of 2017 general meetings. By inputting offline votes into the platform, it can also automatically prepare a consolidated report improving the efficiency of operation.

Financing Commercial Paper (CP2) Issuance by Registration Coming Online



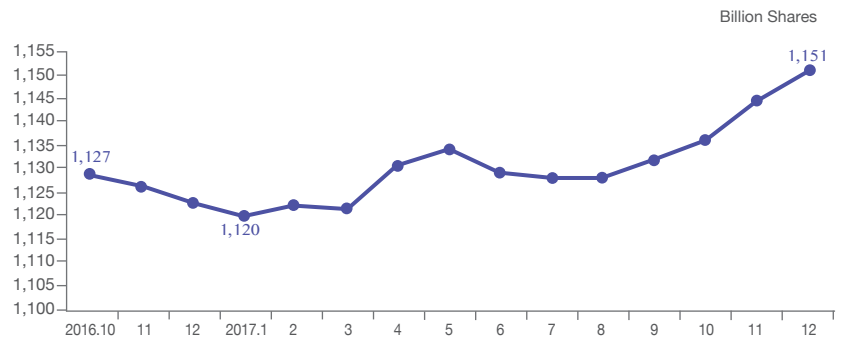
In light of government's policies, and to meet the needs of bill market participants, such as issuers and bill dealers, and so on, TDCC rolled out a registration system for the issuance of financing and foreign currency commercial papers.

TDCC released internet-based system software, which carries the registration, guarantee and redemption functions, with an aim to help minimize the issuance cost for issuers. TDCC finished the system integration in May 2017, and released the beta version in July to prospective users, including issuers, guarantors, bill dealers, investor custodian banks as well as redemption banks. A simultaneous test involving all participants was conducted in August to ensure that the system runs smoothly before coming online.

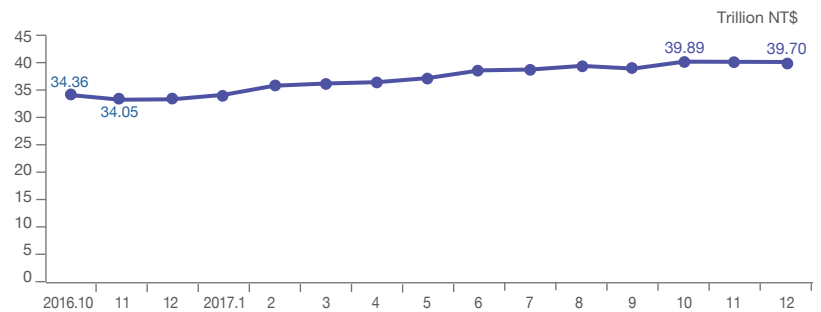
The system was officially launched on September 18, 2017, and has been working well since its release. Owing to the registered-based CP2 are not limited by the face value of paper-based bills, the system not only enhances the operating security and efficiency of the bill market, but also provides bill dealers with more flexibility in promoting their businesses. This should be conducive markedly to the development of the bill market.

Statistics

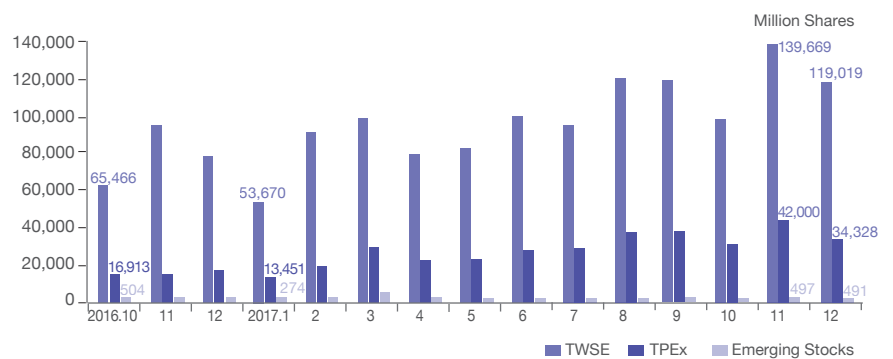
Equities in Custody
(Shares)



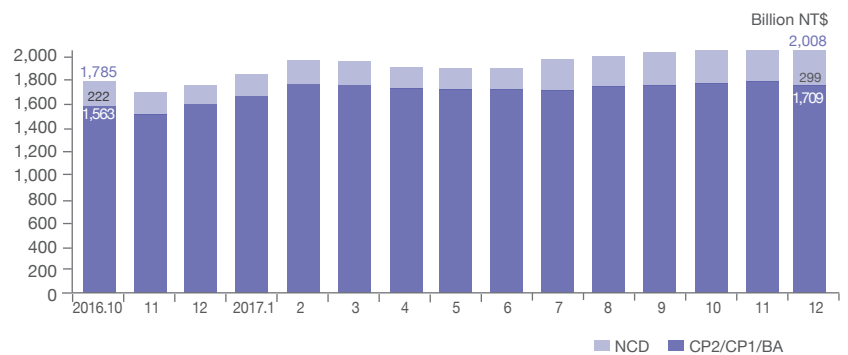
Equities in Custody
(Market Capitalization)



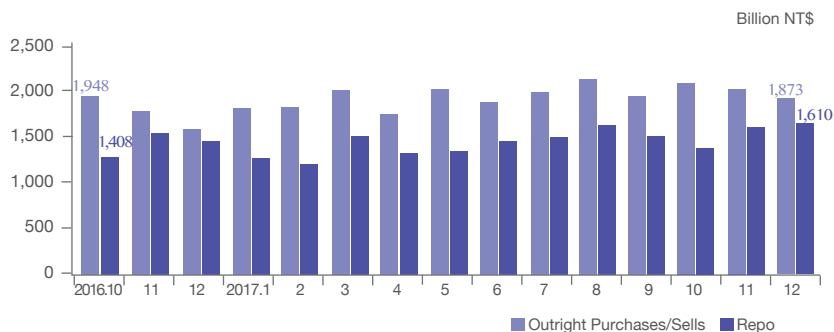
Book-Entry Operations
(Shares)



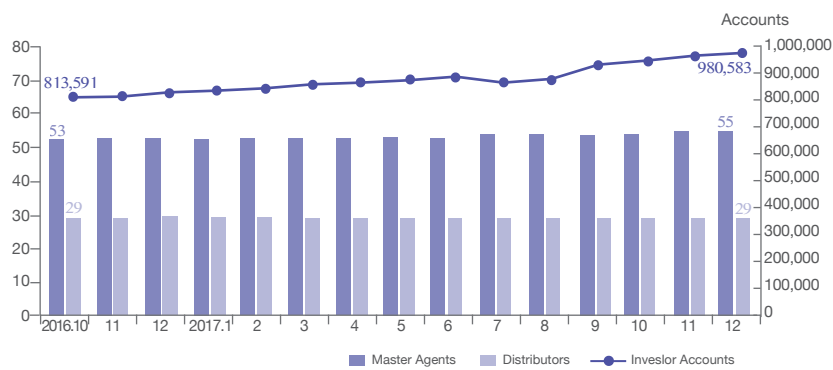
Short-Term
Bills in Custody



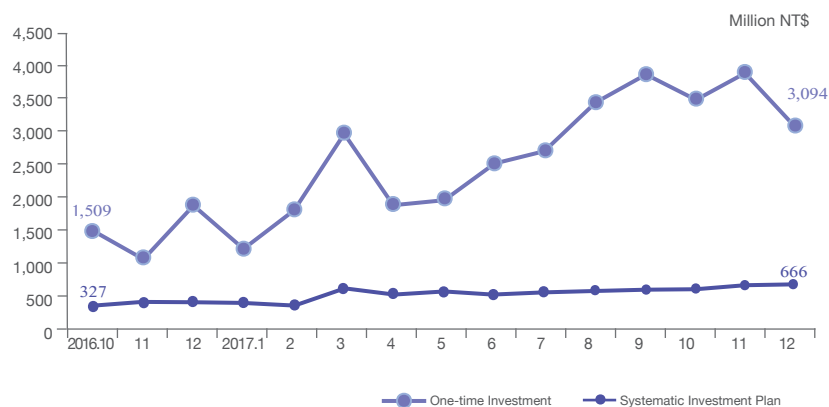
Secondary Market Clearing & Settlement of Short-Term Bills



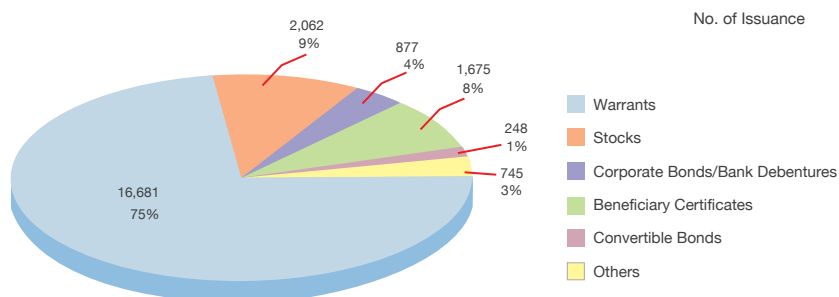
Offshore Fund Operations



Offshore Fund Subscriptions



Registration of Dematerialized Securities



Stock Museum

Taiwan Stock Museum: the Inception Hall



The hall mainly shows the origin of stock system, showing the first stock ever of the world, China and Taiwan.

The first stock in the world

The stock system originated in the 17th century. Founded in 1602, the Dutch East India Company, its abbreviation is VOC in Dutch language, specialized in trade between the Netherlands and Asia. As marine transportation flourished, the high profitability and great investment risks associated with overseas trade rose sharply. This prompted the urgent need for risk reduction. Based in Amsterdam, the East India Company

issued shares for the amount of 6.5 million Dutch guilders. This particular issuance of shares had far-reaching consequences. It was the precursor to modern-day "shareholders" and "stock dividends".



The first stock in China

In 1872, Lee Hong-Zhang, here is his photo, Beiyang Trade Minister, was appointed to establish the Shanghai Steamship Merchants Bureau. As the Qing government was in financial difficulty, it was decided that the



western shareholder system would be adopted, establishing an enterprise to raise funds from the general public. Each share cost 100 taels of silver, with no limit on the number of participating shares. The names and places of origin of each shareholder were recorded. Ownership of the shares was allowed to be transferred. This was the first stock certificate issued in China.

The first stock in Taiwan

During the Sino-French War, the Qing government realized the importance of Taiwan. In 1885, Taiwan became a province of Qing, and Liu Ming-Chuan was appointed as the first governor. Liu was known as the father of Taiwan's railroads. In 1887, the construction of the railway between Keelung and Hsinchu began, and funds were raised from civilian. This was the earliest stock issuance in the history of Taiwan.

The picture also depicts the 16 train station's names from Keelung via Taipei to Hsinchu in Qing Dynasty. Honoured guests can compare the past train station's names with the current names.



TDCC Gallery

TDCC Chairman & CEO Mr. Sherman Lin (3th from right) leads the TDCC colleagues to participate in the 2017 Financial Services Charitable Carnival with FSC Chairman Mr. Wellington L. Koo (3th from left), and interact with the public to experience digital financial services on November 11, 2017.



The 28th anniversary celebration fair of TDCC's establishment, Chairman & CEO Mr. Sherman Lin (4th from left), and president Mr. Ching-Li Meng (4th from right), donated a charity check to 6 non-profit social welfare organizations on behalf of the company on November 4, 2017.



Witnessed by Tainan City Mayor Mr. Mon-Yen Lee (back, left 3), TDCC Chairman & CEO Mr. Sherman Lin, (back, middle) provided DaWan Primary School with the training expenses for their speed skating team on behalf of the company, it was received by the school Principal Mr. Guo-Shen Chu (back, left 1) on October 12, 2017.



TDCC president Mr. Ching-Li Meng (left 1) leads the TDCC badminton team won the 1st place in the 16th tournament for the Securities and Futures Related Institutions Cup on November 18, 2017.





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