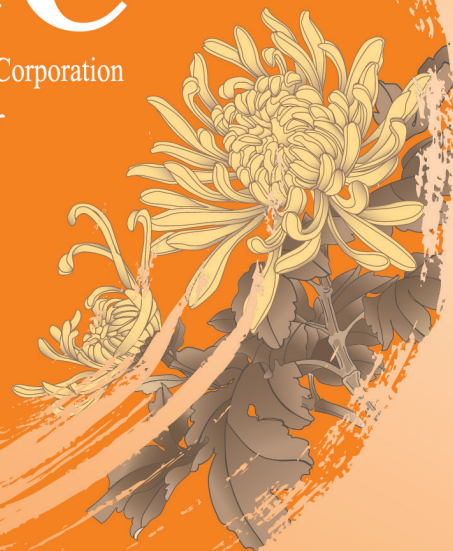


TDCC

Taiwan Depository & Clearing Corporation

臺灣集中保管結算所



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TDCC Chairman Voices Taiwan's Perspective on Corporate Governance to Leading Pension Experts

To recognize Taiwan's significant achievement of 100% electronic-voting capability for shareholder meetings, J.P. Morgan invited TDCC Chairman & CEO, Mr. Sherman Lin, to serve as a panelist at its 9th Annual Multinational Pensions Forum in Paris, France on October 11th of this year. Mr. Lin was the first speaker from Taiwan since the establishment of the forum.

Mr. Lin shared Taiwan's experience in corporate governance with leading global institutional investors on a panel titled "What Does Success Look Like in Achieving Good Governance?" Mr. Lin shared Taiwan's experience on the important factors of good governance, and how TDCC utilizes Fintech to enhance governance. He spoke about Taiwan's progress in corporate governance over the past 10 years, highlighting 100% voting by poll, and the high adoption rate of a candidate nomination system.

J.P. Morgan's 9th Annual Multinational Pensions Forum addressed the numerous challenges faced by pension funds through case studies that demonstrated global best practices in delivering defined benefit and defined contribution provisions. The forum was attended by 60 pension management entities across 11 countries from Europe, North America and Asia. The participants included public and corporate pension managers responsible for approximately USD 1 Trillion in assets under management. The forum covered regulatory developments, the impact of technology, and the role of sustainable investments related to the pension segment.

Mr. Lin discussed how in recent years Environmental Social Governance (ESG) and Corporate Social Responsibility (CSR) have become important decision-making factors of investment for long-term global institutional investors such as pension funds and asset managers. Issuers in Taiwan need to be aware of the growing importance of ESG and CSR. To fulfill Taiwan's new corporate governance roadmap and support Taiwan issuers, TDCC plans to cooperate with global proxy voting research institutions to launch an Investor Relation Platform. This platform will provide issuers and investors with corporate governance



and ESG ratings. Issuers will be able to review their own ESG and corporate governance performance, and institutional investors can easily access companies' information via the platform. TDCC aims to improve the quality of communication between issuers and investors as well as expand the visibility of Taiwan's market in the global investment community.

TDCC was at the OECD Asian Roundtable on Corporate Governance

The 2018 OECD Asian Roundtable on Corporate Governance took place on 7-8 November in Kuala Lumpur, Malaysia. Both Taiwan Stock Exchange Corporation (TWSE) and Taiwan Depository and Clearing Corporation (TDCC), headed by the Securities and Futures Bureau, Financial Supervisory Commission R.O.C. (Taiwan), participated. TDCC Chairman & CEO, Mr. Sherman Lin, was amongst the invited panelists in the panel discussion 'The use of flexibility and proportionality in corporate governance frameworks'.

The OECD panel emphasized the versatilities in 'The use of flexibility and proportionality in corporate governance frameworks'; one size doesn't fit all, the regulations must be programmed according to the unique characteristics of individual markets and the objects, with flexibility and proportionality, in order to obtain a harmonic balance in improving market transparency, perpetuating market integrity and contemplating cost efficiency.



Participants of the panel discussion shared the uniqueness in local corporate governances in Japan, Hong Kong, Singapore and Taiwan, and the use of flexibility and proportionality. TDCC Chairman & CEO, Mr. Sherman Lin, shared the outstanding success of TDCC under the 'Corporate Governance Blueprint' from the Financial Supervisory Commission. Mr. Lin also elaborated on the regulations on independent directors, E-voting and the data of shareholders' meetings in an alternative language, namely English. Furthermore, Mr. Lin addressed on how the progressive measures were effectively implemented in correspondence to various capitals of companies, different classifications and diverse foreign shareholding ratios as well as how the innovative technologies were instrumented in the constructions of adequate servicing platforms. Therefore, the overall compliance cost can be reduced while the market transparency and integrity can be elevated.

During the panel discussion, the Corporate Governance Committee of OECD also pointed out that the global market is facing a trend of 'Increase in Institutional Ownership'; there is a growing force affecting corporate governance of the issuing corporates coming for the institutional shareholders. Because of this, in addition to assisting in promoting institutional investors' regulation compliances, TDCC is activating a dual-language 'Integrated Investor Relations Platform' in 2019, in coordination with the advanced 'Corporate Governance Blueprint', with the aim of bettering the quality information transfers between the issuing corporates and shareholders, hence the improved convenience information searches for the investors. Thus, the communications between the issuing corporates and investors can be strengthened; meanwhile, the global visibility of the Taiwan markets can be further enhanced.

TDCC Successfully Establishes “Investor Services” Task Force at ACG Annual General Meeting

After elected as the executive committee member of Asia-Pacific CSD Group (ACG) in 2016, TDCC actively conducted the exchange and cooperation among global CSDs. On November 26, Chairman and CEO, Mr. Sherman Lin led delegation to attend the 22nd ACG Annual General Meeting in Sri Lanka, proposing to set up “Investor Services” task force. With the support of the attendees, the task force was successfully established.

Investor Services have been global CSDs’ development direction during business transformation. How to conduct cross-industrial cooperation through innovative technology, offer diversified channels to investors for their own account management and information access, and provide investors with more convenient services are all major tasks for global CSD business development.

In the past years, TDCC has been offering quality and innovative investor services to the market such as e-voting, TDCC ePassbook and Fundrich. Through the establishment of the task force, TDCC hopes to share with ACG members the company’s business development in B2B as well as B2B2C and experiences in the use of financial technology. In addition, TDCC will take into consideration members’ opinions and ideas as references for future business planning and employ the task force as an exchange platform of members’ business development experience.

According to Mr. Lin, TDCC has been developing diversified businesses; through the formation of the task force, TDCC expects to promote more communication on CSDs’ operation of investor services, information exchange, and international cooperation. Through the sharing of experience and pursuit of mutual benefits, collaborative development among Asia-Pacific CSDs can be facilitated.





TDCC ePassbook 2.0 Launched

For over a year, there have been over 400,000 accounts successfully activated through TDCC ePassbook since it went live, and its 2.0 version has already launched on November 12th. The press conference was held on November 19th, 2018. The competent authorities, brokerage representatives and media reporters were invited to experience new functions with lively ambiance.

The new version delivers four major functions; first, graphical display of integrated assets, which integrates investor's assets in each passbook and shows the integrated assets in diagram. Second, cloud trading statements take away investors' worry of losing transaction details after they got new smart phones. Third, customized push notifications target at events that investors have the rights to participate in. Last, "e-STOCKSEARCH" provides thorough market material information, including shareholder meetings, ex-right and ex-dividend. All these functions provide investors with more productive ways of asset and equity management.





Company Transparency Platform is Officially Online



In order to strengthen anti-money laundering and increase corporate transparency, the Ministry of Economic Affairs revised the Article 22-1 of Company Act, and assigned TDCC on August 31, 2018, to request the build-out of a Company Transparency Platform (CTP) for the implementation of the new law. The platform portal is now available at <https://ctp.tdcc.com.tw>.

As 690,000 companies will be required to file information about their directors, supervisors, managerial officers, and major shareholders when the new law comes into effect, TDCC believes it is important that the CTP can perform ID verification and data processing online for first-time users in a timely manner. As such, the CTP features:

1. Multiple log-in options:

CTP users are required to go through ID verification before making a filing. This process can be done by simply inserting a conventional corporate certificate, certificate issued by a securities or futures brokerage, or natural person certificate into a card reader. For users who do not have a card reader, they only need to provide their health insurance IC card numbers to verify.

2. Made-easy filing:

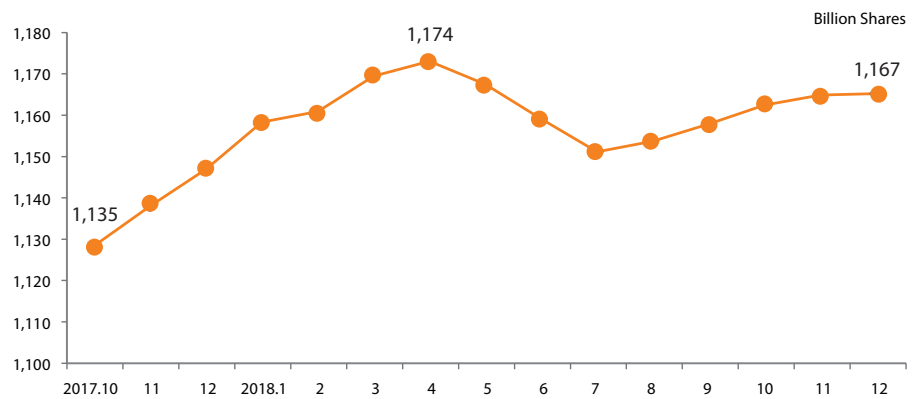
CTP is linked to the databases of both the Ministry of Economic Affairs and the Ministry of Finance, so it already has the general and taxation information of all registered companies. CTP users only need to confirm existing information and fill in the blanks after logging in. There is no need to start from scratch.

3. Twenty-four seven services:

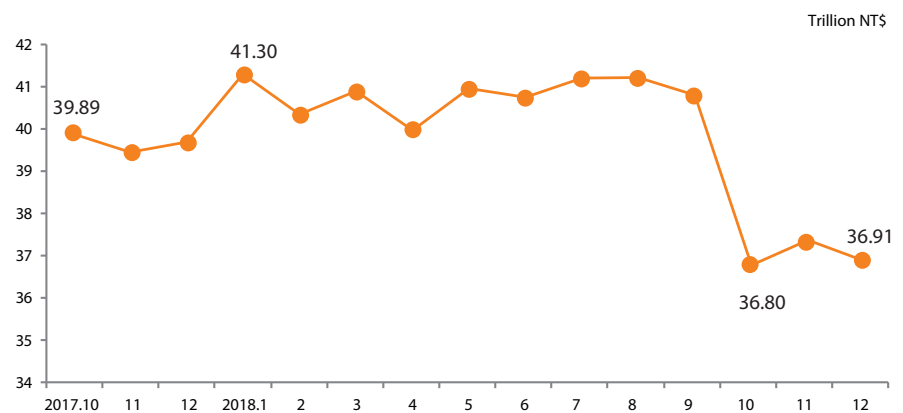
Using the responsive webpage design (RWD), CTP is open 24 hours a day. It means users can complete the filing anytime, anywhere via a PC or mobile device.

CTP has been launched on November 1, 2018, and has since run smoothly. Companies are required to complete their first filing before January 31, 2019. As of November 27, 2018, a total of 121,594 companies have made their filings online. TDCC has organized several presentations and put the “How to Use” information on the CTP portal website to make sure companies know about the new law and filing procedure.

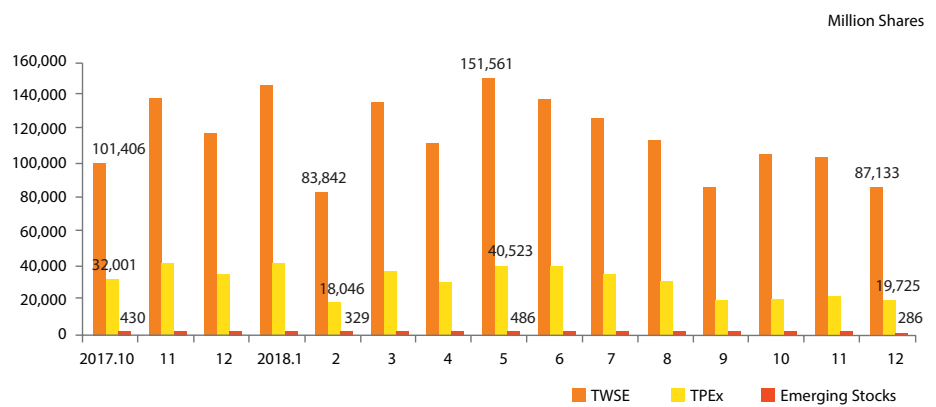
Equities in Custody (Shares)



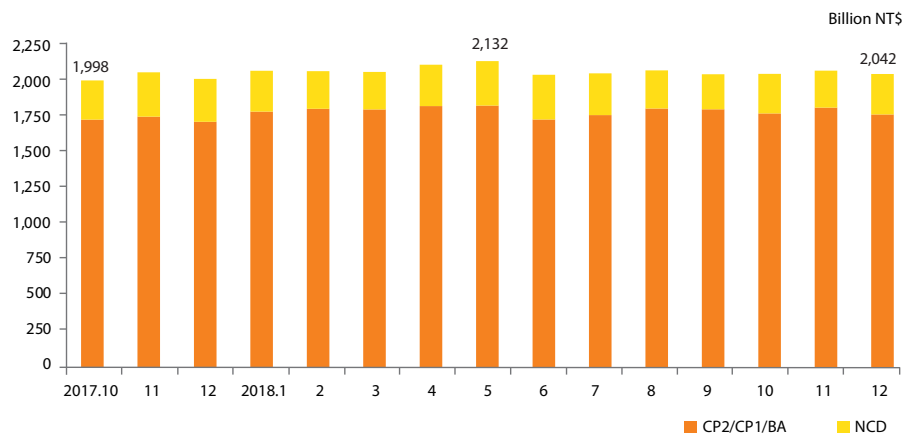
Equities in Custody (Market Capitalization)



Book-Entry Operations (Shares)

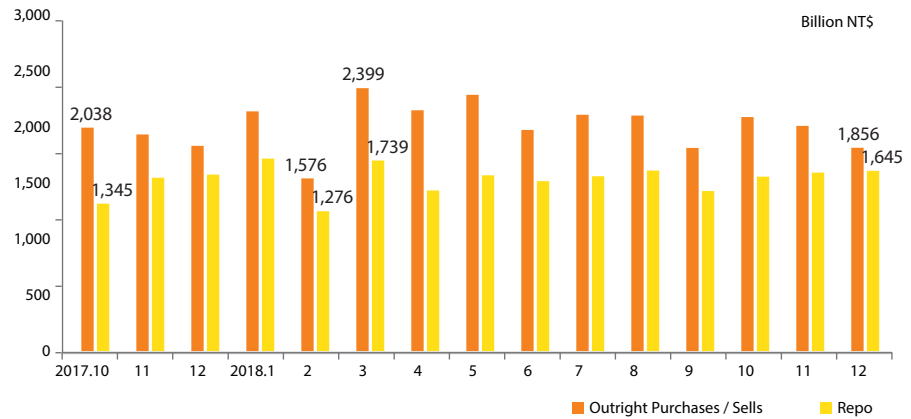


Short-Term Bills in Custody

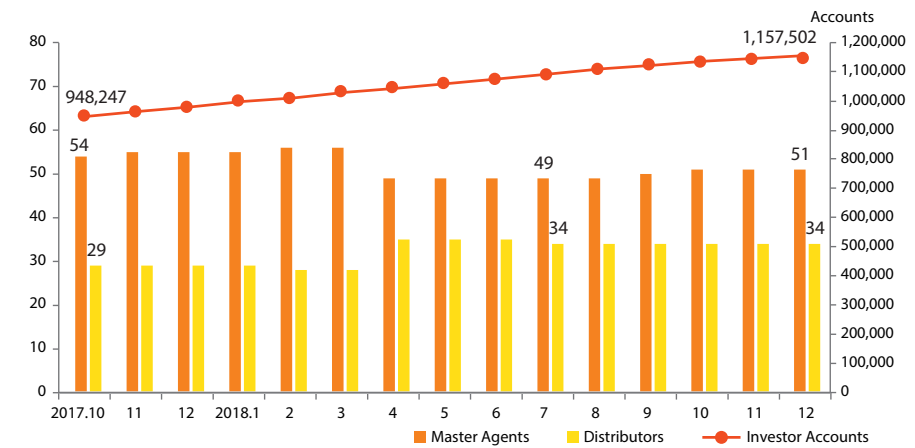




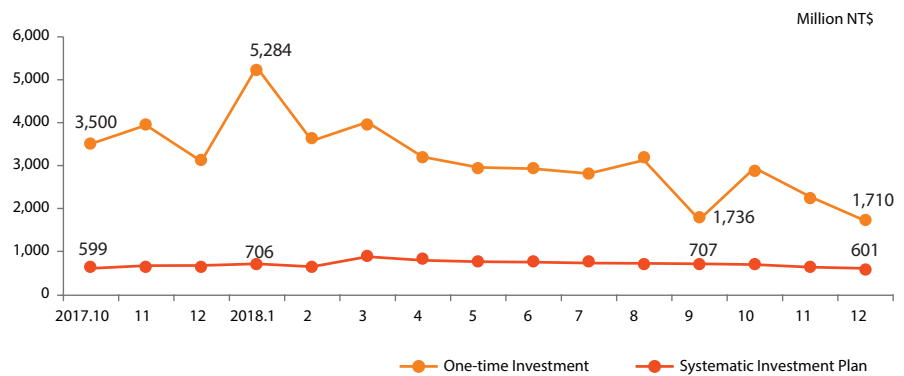
Secondary Market Clearing & Settlement of Short-Term Bills



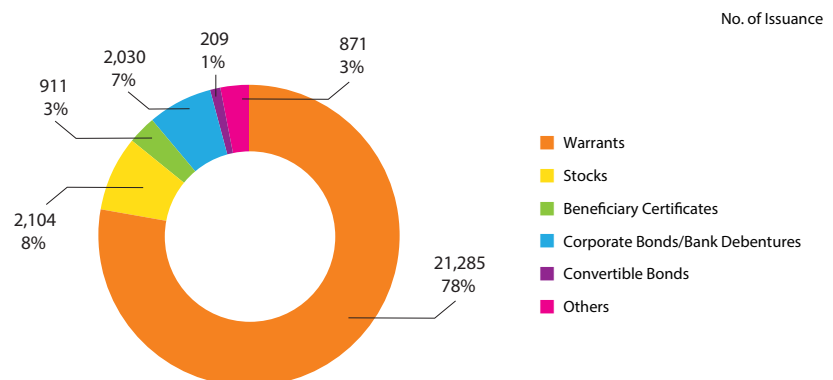
Offshore Fund Operations



Offshore Fund Subscriptions



Registration of Dematerialized Securities



Panoramic View and AR Experience Now Available on Website of Taiwan Securities and Futures Virtual Museum

TDCC incorporated augmented reality (AR) technologies and 360° panoramic photography to present the exhibits in the Taiwan Stock Museum. Visitors can now see precious items, such as the very first stock certificates in the world and Taiwan, and the stock with the highest face value, via the official website of the Taiwan Securities and Futures Virtual Museum for brand new digital experience.

Interactive AR films and cameras are available in all the exhibition halls of the Taiwan Stock Museum for both online and offline visitors to take photos and share with friends at home and abroad in an instantaneous fashion.

The use of technology at the Taiwan Stock Museum allows visitors to access the museum via PC and a mobile device, such as handset and tablet, without the constraint of time and space. By visiting the “360° Online Stock Museum” at the Taiwan Securities and Futures Virtual Museum, people who cannot make it to the physical museum will also get to see the exhibits on display and experience the latest financial technology.

Here is the link to the Taiwan Securities and Futures Virtual Museum: <https://www.tsfvm.com.tw/web/index.aspx>

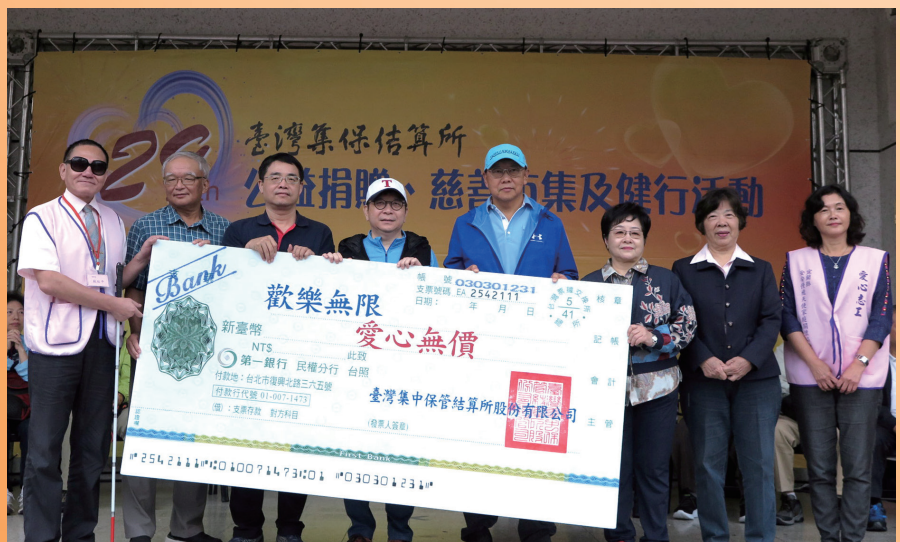


Gallery



TDCC Chairman & CEO Mr. Sherman Lin (4th from right) met with the head of Asia for Citibank Direct Custody and Clearing Mr. Aashish Mishra (4th from left), and shared experience on recent business development of both sides on November 14, 2018.

The 29th 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 fund to 6 non-profit social welfare organizations on behalf of the company on November 17, 2018.



TDCC Chairman & CEO Mr. Sherman Lin (middle) and President Mr. Ching-Li Meng (4th from right) welcomed the business visit from KSD Chairman & CEO Mr. Lee Byungrhae (4th from left), and exchanged view on the implementation and promotion of ACG "Investor Services" Task Force on December 13, 2018.



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