

Internationalization of the Taiwan Stock Exchange



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Implications of ECFA

- Enhanced economic relationship with other countries
- Taiwan as a “gateway to China”
- More PRC investment to Taiwan
- More foreign investment to Taiwan

PRC Investment into Taiwan

- Still a lot of hurdles
- Only 192 categories approved by MOEA
- Most are “yesterday industries”
- Technology and financial industries are mostly excluded
- No further opening until the year-end election is over

China's Influence on Taiwan

- More PRC tourists visiting Taiwan
- More procurement of Taiwanese goods (TFT-LCD panel etc.)
- More PRC investment into Taiwan?
- Acer/Founder strategic partnership
- Beijing Oriental acquisition of Mei-Chi
- 16 “Cross-strait bridge-building” projects

Japanese Investment/Partnership with Taiwan

- Strong interest due to Taiwan's tie with Japan and China
- Investment “through Taiwan” to China
- “Nike” theory
- Cooperation and strategic alliance in tech industries

Six Strategic Industries

- Green energy
- Biotech
- Healthcare
- Advanced agriculture
- Tourism
- Culture and creativity

Lack of detailed execution plan

Invest in Taiwan

- New policy from the cabinet
- Why Taiwan?
- Positioning of Taiwan
- 10 projects covering infrastructure, technology, healthcare and culture industries
- Inconsistent theme and focus

Taiwan as a Funding Hub

- Tremendous progress in Taiwan Depositary Receipts (TDR)
- 20 companies listed so far
- Mostly from HK and Singapore
- First PRC background TDR listed
- “Investment in Taiwan, funding in Taiwan”

Taiwan Stock Exchange Advantage

- Liquidity
- Valuation
- Diversification (of investor base)
- Reputation
- Size of companies
- Industry cluster

Regulation / Compliance

- Disclosure requirement
- Approval process
- Primary Listing (IPO) vs. Secondary Listing (IPO)
- Regional and global perspectives
- Protection of minority investors interest

Investor Perspective

- Do your homework
- Greater China comparables
- Valuation
- Growth in China vs. Taiwan
- Investment vs. Speculation