

Formosa Stock Index

I. Profile:

Index Name : Formosa Stock Index

Abbreviation : Formosa Index

II. Base Date and Base Value: 2013/12/31, 10,000

III. Eligibility of Constituents:

The constituents of the Taiwan Stock Exchange Capitalization Weighted Stock Index (hereinafter referred to as "TAIEX") and the Taipei Exchange Capitalization Weighted Stock Index (hereinafter referred to as "the TPEX") are the constituents of the index.

IV. Constituent Adjustment and Index Maintenance:

The maintenance of the Formosa Stock Index (including but not limited to the inclusion and deletion of the constituents, changes in number of shares and adjustments to the base value, etc.) is in accordance with the "TAIEX Methodology" and the "Composition Guidelines for TPEX and Industrial Sub-Indices."

V. Index calculation:

1. The "Price Index" (base value not adjusted for cash dividends) is calculated and disseminated during the trading hours of the stock market:

$$\text{Index} = \frac{\text{Market Value}}{\text{Divisor}} \times \text{Base Value}$$

(When the constituents go ex-dividend, the base value would not be adjusted.)

Market Value = TAIEX Market Value+ TPEx Market Value

Base Value = 10,000

2. The "Total Return Index" (base value adjusted for cash dividends) is disseminated once a day after the market close.

3. Divisor calculation of Formosa Stock Index (The method also applies to the Divisor calculation of the total return index)

$$AllD_{t+1} = \left[\frac{\left(\frac{TWSED_{t+1}}{TWSED_t} \right) TWSEMV_t + \left(\frac{TPExD_{t+1}}{TPExD_t} \right) TPExMV_t}{TWSEMV_t + TPExMV_t} \right] AllD_t$$

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AllD: The Divisor of Formosa Index

TWSEMV: The total market value of TAIEX Constituents

TPExMV: The total market value of TPEX Constituents

TWSED: The Divisor of TAIEX

TPExD: The Divisor of TPEX

VI. Index Calculation Frequency:

1. The “Price Index” is calculated every five seconds during the trading hours of the stock market.
2. The “Total Return Index” is calculated once a day after the market close.

NOTE: The English version is for reference only. If there is any discrepancy between the English version and the Chinese version, the Chinese version will prevail.