










Taiwan Innovation Board

A new platform Clustering innovative listing



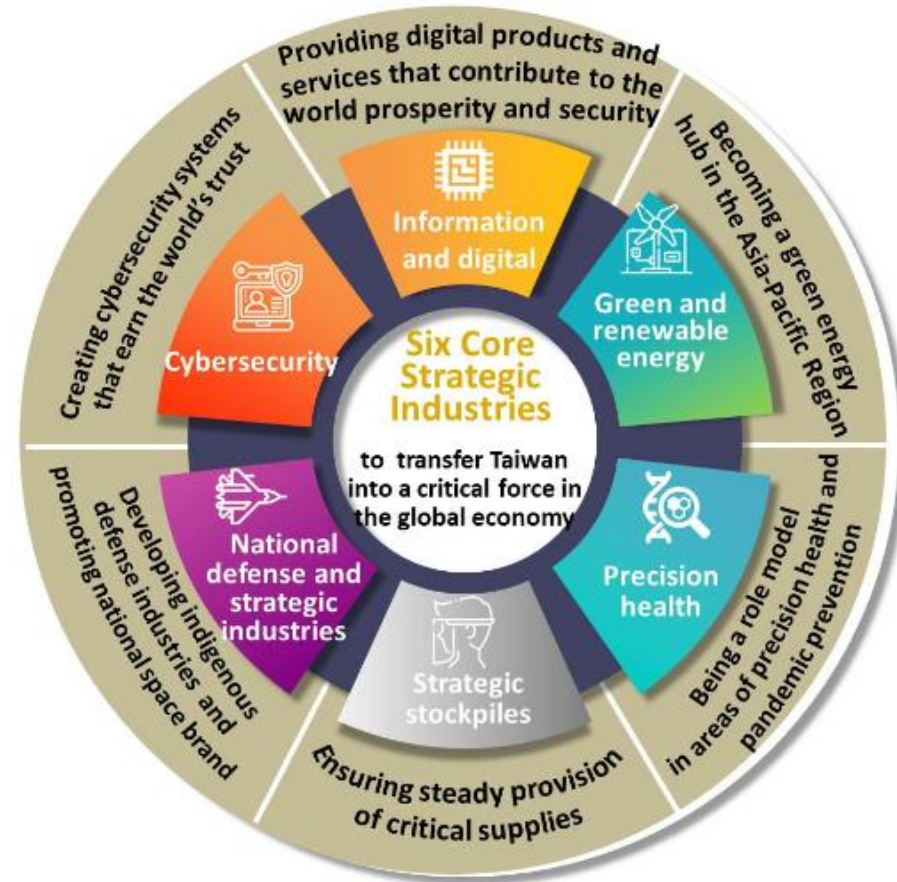
Foreign Listing Department
November 2023

➤ “5+2” Innovative Industries Plan

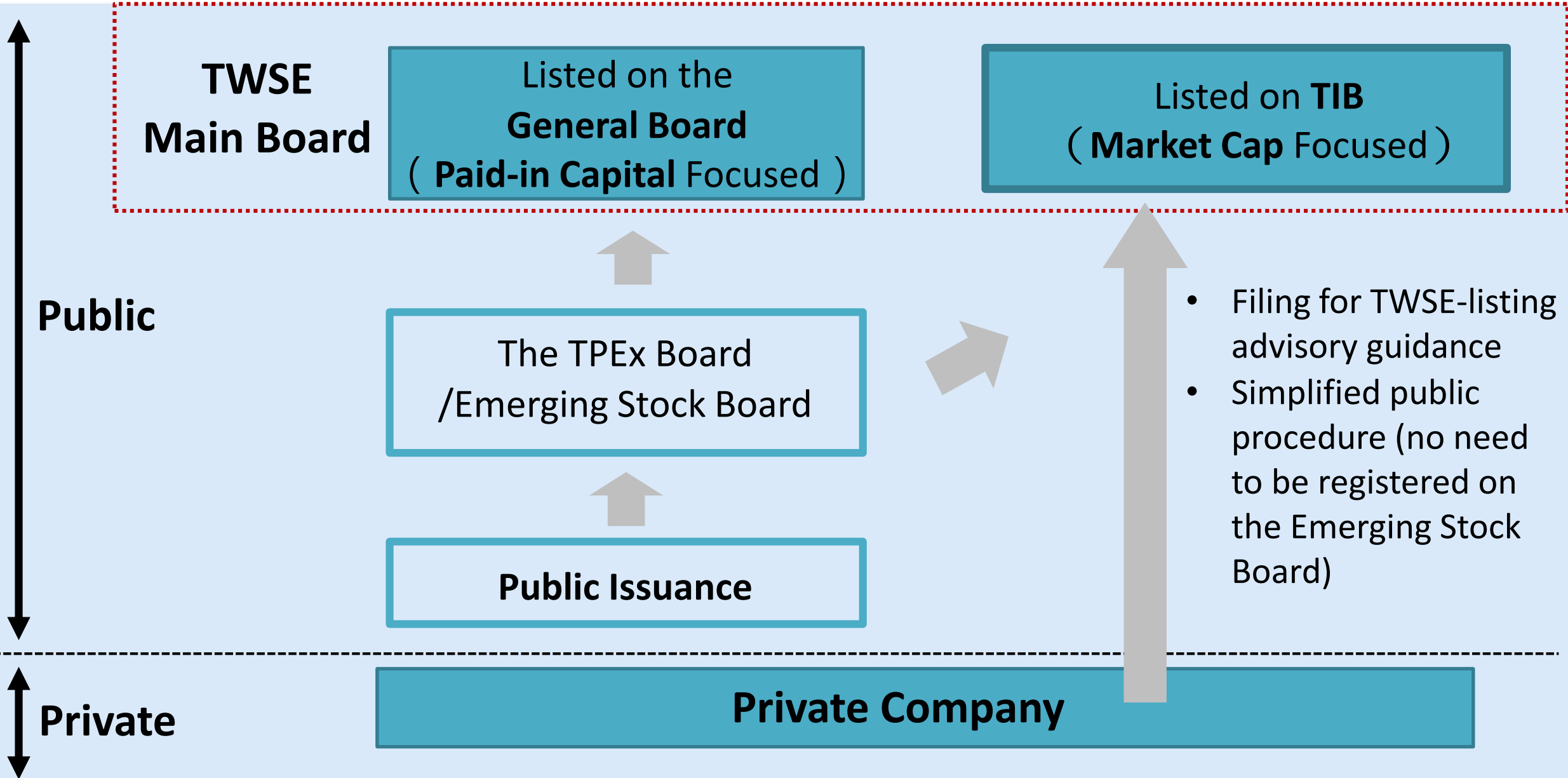
-  Smart machinery
-  Asia Silicon Valley
-  Green Energy
-  Biomedicine
-  National defense
-  New agriculture
-  Circular economy

➤ Six Core Strategic Industries

Advanced deployment on the foundation of 5+2 Industries



★Enhancing Taiwan’s Startup Ecosystem. ★Upgrading and transforming industry.



- The company meets the needs of the government's industry development strategy, and has key technologies and innovative capabilities (such as applications in IoT, AI, or big data) or innovative business models.
- Undergone pre-listing advisory guidance with a securities underwriter or registration as an emerging stock for one full term of six months. As a subsidiary of listed companies, it may apply to shorten the aforesaid period.
- Been incorporated and registered for at least two years, with the number of issued common stock being 10 million shares or more.
- Meet one of the following criteria:

★ TIB providing diversified listing qualifications for startups not yet profitable to access capital market.

Category 1

- Market cap: Not lower than NT\$ 1 billion
- Revenue: Not lower than NT\$100 million for the aggregate for the last four quarters
- Sufficient working capital for the 12 months following listing

Category 2 (limited to biotech and medical enterprises)

- Market cap: Not lower than NT\$2 billion
- Has 125% of sufficient working capital for the 12 months following listing
- Core product of the pharmaceutical company has passed Phase I clinical trials

Category 3

- Market cap: Not lower than NT\$4 billion
- Has 125% of sufficient working capital for the 12 months following listing

TIB Prospectus

- The company shall clearly state its key technologies, innovative capabilities or innovative business models, and calculation of market capitalization in the prospectus. In addition, it shall strengthen disclosure of the risks of its innovative industry and corresponding measures.

The TWSE shall commission external experts to appraise the reasonableness of the prospectus.

TIB Financial report

- The company shall submit the financial statements for the most recent quarter and most recent fiscal year approved by the company's board of directors, audited and attested by a certified public accountant, and recognized by the supervisor(s) or audit committee.

For companies listing on the general board, financial statements for the most recent quarter and most recent two fiscal years is required.

TIB Internal control audit report

- The company shall submit report on internal control for the most recent two seasons audited by a certified public accountant, in which the CPA only evaluates the company's major operating cycle and management operations. The company commits that, within the next three fiscal years upon listing, it will submit the internal control audit report for the previous year along with the annual report in writing.

For companies listing on the general board, the internal control audit report in full for the previous fiscal year is required.

- The listing application shall be reviewed by the TWSE Listing Review Committee within six weeks of receipt.
- The listing process from application submission to the listing ceremony takes 3 to 6 months.



Trading units

1,000 shares

Trading hours

9:00-13:30

Odd lot trading

After-hour odd lot trading is allowed; intraday odd lot trading not allowed.

Daily price fluctuation limit

Days after listing	TIB	Transfer to the general board
First 5 days	No limit	10%
After the sixth day	10%	

Trading restrictions

- **Day trading**
- **Margin trading and securities borrowing (expected to be released in 2024)**

Delisting trigger

The average closing price is lower than NT\$3 over a consecutive 30-day trading period; or the average market cap is lower than NT\$100 million over a consecutive 30-day trading period.

Public sale before listing

- The issuing company shall allocate a percentage of at least 5% and no less than 800,000 shares for public sales.
- However, provided that where this would require the allocation of five million shares or more for underwriting, the company may allocate a minimum of five million shares for public sale.
- Underwriting Methods : Entirely by book building, entirely by competitive auction, partly by book building and public subscription, and partly by competitive auction and public subscription.
- Companies with no profit may reserve up to 50% of the quantity for external public sales and distribute them through negotiated sales.

Lockup of the shares

- Applies to directors, presidents, core technicians, and shareholders holding 5% or more of total issued shares.
- The company applying for listing may withdraw one-fourth of the shares placed in central custody after the end of a six-month period starting from the listing date thereof; all shares may be withdrawn in full after the end of a two-year period.
- Companies with paid-in capital of over NT 10 bn, 50% of the lockup shares can be the share pledging.

Post-listing compliance matters

- From the date of listing to the end of the three subsequent fiscal years, the company shall continue to retain the lead securities underwriter of the IPO to assist with compliance matters. However, if the TWSE deems it necessary to extend the appointment period, it may be extended.
- If the lead securities underwriter is terminated, the succeeding securities underwriter must be contracted within one month, otherwise the company's shares shall be suspended from trading and delisted.
- Starting from the year following the date of listing and for the three subsequent fiscal years, the company must declare an internal control report that has been audited by a CPA.

Transferring to the general board

- TIB companies which have been listed for one year and meet the requirements of listing on the general board may apply for transferring.
- During the transfer process, 3% of shares shall be allocated for underwriting, with 80% designated for competitive auction and 20% for public subscription. However, the combined total of the issued shares for the transfer and those from the previous TIB must comprise at least 10% of the company's outstanding shares.
- Besides, provided that where this would require the allocation of six million shares or more for underwriting, the company may allocate a minimum of six million shares for public sale.
- For TIB companies transferring to the general board, the TIB lockup period can be included.

Qualified Investors Only

- Only **qualified investors** may participate in TIB transactions; qualified investors means an investor that meets one of the following criteria:

A professional institutional investor or a juristic person with one or more years of experience in securities trading investment.

Legally incorporated venture capital enterprises.

Juristic person obtaining IPO shares at TIB through negotiated sales.

A natural person with two or more years of experience in securities investment and meeting one of the following criteria:

- The person has a financial statement of NT\$2 million or more.
- The person has an average annual income of NT\$1 million or more over the most recent two fiscal years.

* The qualified investor who is natural person must sign a risk disclosure statement.

Key Takeaways of TIB

Market Cap as key listing criteria

In line with characteristics of startups.
Fulfill needs of new economy industry.

Simplified public issuance registration

Reduce preparation time of application documents.
Faster access to the capital market for fundraising.

Taiwan Innovation Board (TIB)

Must be qualified investors

More professional and higher risk tolerant.
Identify fair corporate valuation.

Counseling by the lead securities underwriter

Assist to compliance.
Less burden of information filing work.

Funding opportunities for Startups



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