

The TAIEX Index Series Methodology

I. Introduction

The Taiwan Stock Exchange Capitalization Weighted Stock Index Series (hereinafter referred to as the “TAIEX Index Series”) are the indices to measure the aggregate performance of listed stocks in each industry on the Taiwan Stock Exchange (hereinafter referred to as the “TWSE”).

II. Calculation and management

1. The TAIEX Index Series types include the “Price Index” and the “Total Return Index” are as described in Appendix A and Appendix B, and the TWSE is responsible for compilation, real-time calculation and dissemination.
2. Taiwan Index Plus Corporation is designated to conduct index maintenance in accordance with the index rules.
3. The TWSE retains the closing market capitalization records of constituents.

III. Eligibility of Constituents

The TAIEX Index Series are all broad-based indices. The sampling universe is TAIEX constituents. The listed companies are categorized in accordance with the “Taiwan Stock Exchange Corporation Key Points for Classifying and Adjusting Categories of Industries of Listed Companies”. The constituents of the indices are as follows:

1. TAIEX Non-Finance Sub-Index

The index consists of all the TAIEX constituents, excluding stocks of the Finance and Insurance sector.

2. TAIEX Non-Electronics Sub-Index

The index consists of all the TAIEX constituents, excluding stocks of the Electronics Sub-Index.

3. TAIEX Non-Finance Non-Electronics Sub-Index

The index consists of all the TAIEX constituents, excluding stocks of the Finance and Insurance sector and stocks of the Electronics Sub-Index.

4. Industrial Sub-Indices

Stocks of an industrial sector compose an industrial subindex.

5. Industrial Sub-Indices consisting of stocks of more than one industrial sector
 - (1) Cement and Ceramic Sub-Index: The index consists of stocks of the Cement sector and the Glass and Ceramic sector.
 - (2) Plastic and Chemical Sub-Index: The index consists of stocks of many sectors, including Plastic, Rubber, Chemical, and Biotechnology and Medical Care.
 - (3) Electrical Sub-Index: The index consists of stocks of the Electric Machinery sector, Electrical and Cable sector, and the stocks of the Electronics Sub-Index.
 - (4) Electronics Sub-Index: The index consists of stocks of the Electronics sector, including Semiconductors, Computer and Peripheral Equipment, Optoelectronics, Communications Technology and Internet, Electronic Parts/Components, Electronic Products Distribution, Information Service and Other Electronics.
 - (5) Chemical/Biotechnology and Medical Care Sub-Index: The index consists of stocks of the Chemical sector and the Biotechnology and Medical Care sector.

IV. Index Calculation Method

1. Index Calculation Frequency

- (1) The “Price Index” is calculated and disseminated every five seconds based on the latest trade prices of constituents during the trading hours of the TWSE's centralized securities exchange market, and the End-of-Day index is calculated once a day after the market close.
- (2) The “Total Return Index” makes an adjustment for taking the cash dividend factor into consideration to reflect the return including reinvesting the cash dividend. The index is calculated and disseminated every five seconds based on the latest trade prices of constituents

during the trading hours of the TWSE's centralized securities exchange market, and the End-of-Day index is calculated once a day after the market close.

2. The TAIEX Index Series = (Aggregate market value / Index Divisor of the current day) * Base Value
3. The TAIEX Index Series shall be maintained and calculated in accordance with the TAIEX methodology.

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.

Appendix A - List of the TAIEX Index Series

The TAIEX Index Series	Base Date	Base Value
TAIEX Non-Finance Sub-Index	1966 Annual Average	100
TAIEX Non-Electronics Sub-Index	1999.12.28	8448.84
TAIEX Non-Finance Non-Electronics Sub-Index	2003.12.31	5890.69
8 Industrial Sub-Indices: Food, Textiles, Paper and Pulp, Building Materials and Construction, Finance and Insurance, Cement and Ceramic, Plastic and Chemical, Electrical	1986.12.29	100
14 Industrial Sub-Indices: Electronics, Cement, Plastic, Electric Machinery, Electrical and Cable, Chemical/Biotechnology and Medical Care, Glass and Ceramic, Iron and Steel, Rubber, Automobile, Shipping and Transportation,	1994.12.31	100

Appendix A - List of the TAIEX Index Series

Tourism and Hospitality, Trading and Consumer Goods, Others		
11 Industrial Sub-Indices: Semiconductors, Computer and Peripheral Equipment, Optoelectronics, Communications Technology and Internet, Electronic Parts/Components, Electronic Products Distribution, Information Service, Other Electronics, Chemical, Biotechnology and Medical Care, Oil/Gas and Electricity	2007.6.29	100
4 Industrial Sub-Indices: Green Energy and Environmental Services, Digital and Cloud Services, Sports and Leisure, Household	2023.6.30	100

Appendix B - List of the Price Index and the Total Return Index

Compiling the Price Index and the Total Return Index	Compiling the Price Index
35 Industrial Sub-Indices: TAIEX Non-Finance Non-Electronics Sub-Index, Food, Textiles, Paper and Pulp, Building Materials and Construction, Finance and Insurance, Electronics, Cement, Plastic, Electric Machinery, Electrical and Cable, Chemical/Biotechnology and Medical Care, Glass and Ceramic, Iron and Steel, Rubber, Automobile, Shipping and Transportation, Tourism and Hospitality, Trading and Consumer Goods, Others, Semiconductors,	5 Industrial Sub-Indices: TAIEX Non-Finance Sub-Index, TAIEX Non-Electronics Sub-Index, Cement and Ceramic, Plastic and Chemical, Electrical

Appendix B - List of the Price Index and the Total Return Index

Computer and Peripheral Equipment, Optoelectronics, Communications Technology and Internet, Electronic Parts/Components, Electronic Products Distribution, Information Service, Other Electronics, Chemical, Biotechnology and Medical Care, Oil/Gas and Electricity, Green Energy and Environmental Services, Digital and Cloud Services, Sports and Leisure, Household	
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