Taiwan’s Economic Growth

GDP Growth

<table>
<thead>
<tr>
<th>Quarter</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>2.80</td>
<td>3.15</td>
</tr>
<tr>
<td>Q2</td>
<td>1.60</td>
<td>3.29</td>
</tr>
<tr>
<td>Q3</td>
<td>1.65</td>
<td>2.38</td>
</tr>
<tr>
<td>Q4</td>
<td>1.23</td>
<td>1.80</td>
</tr>
<tr>
<td>Q1</td>
<td>1.80</td>
<td>1.83</td>
</tr>
<tr>
<td>Q2</td>
<td>2.72</td>
<td>2.40</td>
</tr>
<tr>
<td>Q3</td>
<td>2.67</td>
<td>3.59</td>
</tr>
<tr>
<td>Q4</td>
<td>2.90</td>
<td>2.81</td>
</tr>
</tbody>
</table>

(Note: The chart shows the GDP growth rates for Q1 to Q4 in both 2018 and 2019, with percentages in parentheses.)
Taiwan Stock Exchange Capitalization Weighted Stock Index (TAIEX)

9382.51

11096.3

30-sep-19

10558.21
Initiatives in Taiwan Securities Market

- Futures Warrant
- Exchange Traded Note
- STO Regulations
- Cornerstone Investors
New Tax Code in Taiwan to Encourage Funds Repatriation

It is estimated that more than 10 billion US dollars will be repatriated to Taiwan in the next two years for real investment, likely to boost domestic demand, and help to maintain economic growth momentum.
Applicable Tax Rate
- General Tax Rate
- Repatriation in 1st year: 8%
- Repatriation in 2nd year: 10%
- If used in real investment: tax rate reduced to 4% or 5%
- If not used as specified: tax rate 20%

Individuals: repatriate overseas funds
Profit-seeking businesses: repatriate overseas profits

Real investment: 70%
Financial investment: 25%
Free-to-use: 5%
Security Token Offering (STO)

STO Platform operators acquire the **license of proprietary traders**

Minimum paid-up capital of **US$3.33 M**
Operating bond of about **US$330,000**

For a single platform, total amount of funds raised by all issuers cannot exceed **US$ 3.33 M**

STO adopts the **Real-Name system**
Conclusion

Taiwan: Asia’s Wealth Management Center

- Employment Growth
- Self-designed Financial Products
- Import Substitution

Brokerage
Proprietary Trading
Underwriting
Thank You