Lih-Chung Chien – Chairman, Taipei Exchange (TPEx)



While international markets are highly competitive for raising funds, Taiwan's ecosystem is more accessible, with supportive policies, focused government initiatives, and a capital platform designed to match opportunities with investor interest

04.02.2026

Tags: Taiwan, TPEx, Stock Exchange, IPO, Financing, APAC

Lih-Chung Chien, Chairman of the Taipei Exchange (TPEx), highlights the Exchange's support for SMEs and innovative sectors via a three-tiered market, flexible IPO rules, and the Technology-Based Enterprise mechanism. Taiwan's strong clusters in biotech, ICT, and semiconductors, along with supportive policies and active investor participation, make it a compelling destination for investment and listing.

Could you explain the Taipei Exchange's role within Taiwan's financial landscape?

Our mission is to support small- and medium-sized enterprises as well as innovative industries. We promote economic and industrial growth across two core areas – equities and bonds.

Taiwan has a very large population of small- and medium-sized enterprises. Many of the biotechnology companies listed on our market fall into this category – they are medium-sized rather than large corporations. Small- and medium-sized enterprises account for more than 98 percent of all enterprises in Taiwan and generate nearly 80 percent of domestic employment opportunities. Their flexibility and capacity for innovation make them essential to economic resilience.

We support these companies through a multi-tiered equity market structure designed to meet various stages of development. There are three layers – the main board, a pre-listing market (Emerging Stock Board), and an incubation board known as the Go Incubation Board for Startup

and Acceleration Firms (GISA). GISA was updated in 2025 to its enhanced “GISA Plus” form, providing stronger support and advisory services for early-stage companies. Together, these provide a structured environment for fundraising and growth, allowing companies to progress as they mature.

The Exchange was established in 1994. The Emerging Stock Board followed in 2002, and the GISA was launched in 2014. Over the past 30 years, more than 2,600 companies have entered the capital market through our ecosystem. The World Bank has recognised TPEx as one of the most experienced exchanges globally in supporting small- and medium-sized enterprises.

We work in close alignment with national policy, particularly in sectors such as semiconductors, biotechnology, healthcare, and digital cloud services. This approach has enabled the development of complete industry clusters, clearly demonstrating how capital markets can serve the real economy.

On the bond side, we place strong emphasis on sustainable finance. As of year-end 2025, issuance volumes of sustainable bonds ranked second in the Asia–Pacific region and sixth globally. Beyond issuance volumes, external recognition has reinforced this position. The Climate Bonds Initiative recognised the Taipei Exchange as a high-quality sustainable bond exchange in its 2024 Market Report.

We believe capital should actively support the transition to net zero, helping the economy move steadily towards that objective. These instruments also support concrete public objectives, including affordable housing along with infrastructure development, allowing long-term capital to serve both economic and social priorities.

What distinguishes the Taipei Exchange from the Taiwan Stock Exchange?

The main distinction lies in scale. The Taiwan Stock Exchange serves large-cap companies, whereas the Taipei Exchange concentrates on SMEs and innovation industries.

SMEs and start-ups often face challenges: limited resources, lower visibility, difficulties in financing and talent recruitment. They require policy guidance, financial support, and substantial assistance. Through the Taipei Exchange‘s market structure, the listing requirements are relatively friendly and listing costs are lower. The procedure for secondary public offerings is simple and efficient. Innovation enterprises tend to gain investor recognition more easily in our market and often enjoy higher price-to-earnings ratios. As a result, the Taipei Exchange has become a major hub for

innovation enterprises.

What happens after an IPO? Many biotechnology companies list successfully, yet their share prices often stagnate and analyst coverage remains limited. How do you sustain momentum beyond the initial listing?

After an IPO, our engagement does not stop. We continue to support listed companies through investor roadshows, both in Taiwan and internationally, to ensure visibility is sustained beyond the initial listing phase. Momentum needs to be actively managed.

Equally important is the ecosystem effect. Companies listed on the Taipei Exchange operate within clusters rather than in isolation, sharing talent, knowledge, and, in some cases, collaborating on technology and development. This collective dynamic strengthens individual companies and the market as a whole.

Transparency is another key factor. Our disclosure platform enables timely communication of material developments such as clinical trial progress, regulatory approvals, or licensing deals. These milestones matter to investors and help sustain confidence. A recent US FDA approval by a biotech company, for example, was disclosed immediately through this system.

This is supported by our three-tier market structure. On the GISA, there are 138 companies currently registered. We offer free advisory programmes focused on fundraising, governance, and capital market readiness, helping early-stage companies bridge the gap to public markets. So far, there have been 34 companies that have progressed from the GISA to the Emerging Stock Board, with eight advancing further to the TPEx Main Board or Taiwan Stock Exchange.

The Emerging Stock Board plays a crucial pre-listing role. It allows companies to gain early market exposure without requirements on scale, operating history, or profitability, enabling price discovery ahead of a full IPO. As of the end of 2025, a total of 350 companies were registered on the platform.

Taiwan was among the first markets to introduce a pre-listing platform. Hong Kong, mainland China, and Korea have since followed. How do you compete regionally?

Experience is a major differentiator. Our Emerging Stock Board has been operating since 2002, and over time it has developed into an active and liquid market rather than a passive waiting room for

IPOs.

Liquidity is strong, with average daily turnover of around TWD4.3 billion. Sponsoring underwriters also act as market makers, helping to support trading and price stability. This creates a credible environment for both issuers and investors.

Scale matters as well. A pre-listing platform only works if there is sufficient critical mass to support liquidity, analyst interest, and investor engagement. That density allows companies to build visibility and confidence before moving to the junior or main boards.

Before this platform existed, pre-listing shares in Taiwan traded informally in a grey market, with limited disclosure and weak investor protection. The current system offers transparency, fairness, and a structured pathway to public markets. Within this ecosystem, medical and biotechnology companies are particularly prominent, with 98 firms currently being listed on the Emerging Stock Board.

Could you explain the main board listing requirements and what makes the Taipei Exchange attractive for innovative sectors?

The Taipei Exchange offers flexible IPO standards and focuses on emerging industries. Requirements on profitability, company size, and financial benchmarks are less restrictive than in other Asia-Pacific markets, making it highly suitable for growth-oriented sectors such as technology, AI, biotech, and software-as-a-service (SaaS).

As a result, the Exchange hosts many mid-sized biotech, cloud, and semiconductor firms. Its main board ranks strongly internationally: as of December 2025, the average price-to-earnings ratio reached 33.32; turnover rate ranked second globally, and there were 874 listed companies, placing it 18th among World Federation of Exchanges members.

To support high-potential biotech and medical companies—those with market-ready technology or products but limited operating performance—the Taipei Exchange introduced the Technology-Based Enterprise mechanism (TBE) in 1997. Even biomedical companies without revenue or profitability can raise funds through this channel. This approach also supports other emerging sectors with high R&D intensity and long development cycles, including high-end manufacturing, green energy, and digital cloud industries.

Alongside the success of biomedical listings, the Exchange has recently refined its review processes for emerging technology firms. Assessment periods have been shortened, and securities firms are now able to acquire new shares from GISA companies during registration, encouraging early investment in innovative micro-enterprises. Today, nearly 25 percent of GISA companies are in biotech and medicine, highlighting the Exchange's focus on supporting innovative sectors.

When you talk about attracting investor attention, is that primarily domestic, or are you seeing growing international participation?

Overall, foreign institutional investors account for around 20 percent of investment on the Taipei Exchange, with their trading activity representing approximately 25 to 28 percent of total turnover. This reflects a meaningful and sustained level of international engagement alongside domestic participation.

The technology-based enterprise mechanism has been particularly significant for biotechnology and medical companies across Taiwan's capital markets. In total, there are 248 biomedical companies listed nationwide. Of these, there are 95 listed on the Taipei Exchange main board, 98 on the Emerging Stock Board, and 55 on the Taiwan Stock Exchange. Companies listed on the Taipei Exchange and the Emerging Stock Board together represent nearly 80 percent of the biomedical sector, making it especially visible within our ecosystem.

We are also seeing a clear structural shift within the industry. Biotechnology companies are increasingly integrating capabilities from information and communications technology coupled with artificial intelligence to develop new business models and products. This convergence is strengthening Taiwan's broader innovation landscape and reinforcing the long-term competitiveness of its life sciences sector.

Could you explain the Asia Innovation Capital initiative that was recently announced?

The initiative was announced by Taiwan's financial regulator and provides an overarching framework for a series of reforms we are implementing. Our work sits squarely within this Asia Innovation Capital platform, with a clear objective – to direct capital more effectively towards innovation across the equity and bond markets.

On the equity side, we are guiding investment towards innovative companies listed on the main board and the Emerging Stock Board, while continuing to support micro-enterprises through the GISA. Alongside this, our bond market plays a significant role. We actively support bond issuance, with particular emphasis on sustainable bonds. These instruments channel capital into sustainable activities, including affordable housing and infrastructure development, helping the government raise long-term funding while delivering broader benefits to the economy.

A further pillar of the initiative involves regulatory modernisation. Certain rules had become outdated such as centralized share custody – to safeguard the long-term sustainability of software companies. These have now been removed to make the market more accessible to firms working in artificial intelligence and big data. We have also reduced the assessment and review period for listing examinations conducted by securities firms from three years to two, improving efficiency without compromising standards.

In addition, sustainable venture capital firms are now permitted to apply for listing, supporting the financing of emerging industries. Companies applying for registration on the Emerging Stock Board are also allowed to declare a public offering concurrently and to choose between general or simplified mechanisms. This shortens timelines and enhances market stability and operational efficiency.

Taken together, these reforms are closely aligned with the Asia Innovation Capital initiative. The aim is consistent throughout – to optimise the regulatory environment and make it easier for innovative companies to grow, raise capital, and contribute meaningfully to Taiwan’s long-term economic development.

You have been part of Taiwan’s financial markets for nearly four decades. What philosophy guides your leadership at the Taipei Exchange?

I have worked in Taiwan’s financial markets for 38 years, and my core belief has remained consistent throughout that time. Capital markets exist to support industry and economic growth, and in turn, strong industries sustain healthy capital markets. That reciprocal relationship sits at the heart of my leadership philosophy.

At the Taipei Exchange, I focus on working closely with small- and medium-sized enterprises, not simply as a regulator, but as a long-term partner. Over the years, a few principles have become especially clear to me. Leadership must be grounded in trust, resilience, and integrity. Without

those foundations, markets cannot function well, and institutions cannot earn lasting credibility.

Another priority is fostering a strong learning culture within the organisation. I want the team to remain open-minded – continuously learning new ideas, adopting better practices, and embracing innovation. Financial markets evolve quickly, and institutions must evolve with them.

Alongside this, we place strong emphasis on digital capability. Much attention is now focused on artificial intelligence, but meaningful progress begins earlier, with digital transformation more broadly. This requires building digital literacy, using technology to improve efficiency, automating routine processes, and integrating digital tools into supporting planning and decision-making. We are operating in an increasingly intelligent digital society, and our institutions must be equipped to function effectively within it.

As a final message to global readers: why should investors consider Taiwan, and what makes listing here particularly attractive for innovative companies?

Taiwan’s industry has evolved significantly. Historically known for traditional manufacturing, the economy now has the talent and infrastructure to drive innovation across emerging sectors. We are particularly strong in information and communications technology and high-end manufacturing, while the semiconductor industry remains globally recognised.

The biomedical sector has developed into a highly focused and concentrated cluster. The government has made it a strategic priority, with universities and research institutions aligning their programmes to support targeted projects. This has created a strong ecosystem in healthcare and life sciences, complemented by Taiwan’s broader industrial and technological capabilities.

From an investment perspective, Taiwan offers several advantages. The capital market, led by the Taipei Exchange, is structured to support innovative companies, providing mechanisms such as TBE for biotech firms, which helps investors make informed decisions. Over the years, the biomedical cluster has grown larger and more robust. While international markets are highly competitive for raising funds, Taiwan’s ecosystem is more accessible, with supportive policies, focused government initiatives, and a capital platform designed to match opportunities with investor interest.

Investor confidence has also strengthened. In 2016, many biotechnology companies expressed difficulty securing funding because long-term investment horizons were not widely understood. Today, sentiment has shifted; the ecosystem is larger, more cohesive, and investors are

increasingly receptive.

Overall, Taiwan combines technology, talent, innovation capacity, and a resilient capital market. The development potential is strong, and for companies seeking growth in technology or biomedical sectors, Taiwan is a compelling destination to invest, innovate, and list.

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