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Yuanta Futures Co., Ltd.

2015 Annual Report

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(Market Observation Post System)**

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V. Name of overseas exchange where securities are listed, and the methods for inquiring the foreign-listed securities: none.

VI. Company website: <http://www.yuanta futures.com.tw/>

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One. Report to Shareholders

I. Market Overview

In retrospect of 2015, the global stock market performed positively due to the global economy in the first half of the year led by the US economic recovery. The futures index had gone up comprehensively in the USA and Europe, to a record high. However, the global stock market moved reversely in the second half of the year due to the sluggish economy of China, of which, FITX had dropped by 30% from the high level of 10,000 points. The subsequent high market rebound brought the opportunity of high volatility and growing trade volume for futures. The growth of futures and stock option trade volume in 2015 reached as high as 44% and 26%, respectively. For commodity futures, due to the record high US Dollar Index (USDIX) since March 2003, the price had dropped comprehensively, including energy, precious metals, necessities metals and agricultural commodities; also, non-US currencies, such as EURO, AUD, NZD, and CAD are the subject of the futures price adjustment, of which, the price drop of energy commodities is even more evident, indicating the 8 categories of futures had indeed fluctuated severely in 2015.

In addition, the Taiwan Futures Exchange introduced several new instruments in 2015, mainly due to the vigorous development of Taiwan's offshore RMB market. For meeting investor's demand for investment and hedging, Taiwan Futures Exchange had launched two "RMB Currency Futures – USD/CNH Futures" with the trade subject of USD against RMB exchange rate on July 20. It is the first exchange futures instrument since the establishment of Taiwan futures market and it helps traders use financial instruments flexibly. Moreover, the Taiwan Futures Exchange had launched "TJF" on December 21 of the year with "Tokyo Stock Price Index (TOPIX)" as the trade subject; also, it is the first foreign index futures instrument listed in Taiwan futures market. The listing of the said instrument is not only an attempt of introducing new instrument from abroad, but also an attempt to increase market momentum in Taiwan through introducing new instruments. Investors have more trading options and Taiwan's futures market is entering a new milestone in internationalization. In addition, there were 7 ETF options (such as, Taiwan 50, Bao Shanghai and Shenzhen, FB Securities, Yuanta Securities, FH Shanghai and Shenzhen, CAF50, and Shenzhen 100) launched on the same day TJF listed, enriching the diversification of the Taiwan futures market.

II. Corporate governance

1. Participating in the 10th, 11th, and 12th "Information Disclosure Ranking Results in Taiwan by the Securities and Futures Institute" of the ROC Securities and Futures Institute with the highest honor of "A++" rating received; also, the Company is the one and only futures company in Taiwan receiving such honor for three consecutive years. It indicates that the Company's dedication to actively deploy new business and promote business; also, value and substantiate the concrete practice of corporate governance.
2. Participating in the 1st (2014) "Corporate Governance Evaluation" organized by Stock Exchange and GreTai Securities Market with a rating of top five-percent performance among the OTC companies (published on May 2015) received. The Company's dedication to uphold the highest management integrity, to protect shareholders' equity, and to pursue the sustainable development of the Company is highly appreciated.

3. After April 2012, the Board of Directors had the “Audit Committee” setup to replace the functions of supervisors, to supervise the Company’s financial operations, internal control, regulatory compliance, and risk control for emphasizing an open and transparent management philosophy. The Audit Committee convened 17 meetings in 2015.
4. Through the “corporate governance system assessment” the Taiwan Corporate Governance Association examined the Company with the corporate governance assessment in response to the considerations of listing commitments and the Company’s long-term operation so to make the Company’s operating information more transparent, the internal controls better, and shareholder’s benefit maximized. The Company was, as well, officially accredited by the Taiwan Corporate Governance Association for both “CG6004” and “CG6006”.

III. Operating results

The Company continued to strengthen the business management in 2015, including improving the profitability of shareholders’ equity, substantiating risk management, and implementing the proprietary trading and brokerage business objectives with the operational objectives achieved as follows (the financial data below are based on the Company’s consolidated financial statements disclosed):

1. In terms of financial performance, the Company’s 2015 net income was NT\$777 million, the highest of the futures brokerage; also, the net EPS was NT\$3.35 and ROE after tax was 10.93%.
2. Business performance: Futures brokerage market share is 20.89% with a turnover of more than 30,090,000 transactions; option brokerage market share is 12.18% with a turnover of more than 46,860,000 transactions; foreign futures market share is 29.87% with a turnover of 8,220,000 transactions; the market shares referred to above are ranked number one in market and significantly ahead of the industry.
3. Awards: The Company was committed to provide high quality, branding, and excellent services to customers persistently with high transparent operation, sound financial performance, innovation and R&D capabilities, comprehensive risk control mechanism, strict corporate governance, and internal control. The Company’s performance had been well recognized in market in 2015:
 - (1) Awarded with the honor of the 1st corporate governance “OTC company top five-percent performance.”
 - (2) Recognized as “Top-Ten Companies” at the 12th Golden Torch Award.
 - (3) No. 1 in futures companies amongst the Top 5000 large corporations in Taiwan.
 - (4) Awarded with the “Best Futures House, Taiwan” by The Asset magazine.
 - (5) Awarded with the “NON-BANK FCM OF THE YEAR” by the Futures Options World magazine (FOW).
 - (6) Awarded with the “Outstanding Enterprise and “Most Popular Brand” at the 12th National Brand Yushan Award.
 - (7) Awarded with the “Outstanding Futures Talent” at the 13th Golden Goblet Award.
4. The Company’s 2015 income and expense and profitability analysis is summarized as follows:

(1) Changes in a variety of business lines (Unit: NT\$ thousand)

Item	2015	2014	Difference	Variation
Operating gains	2,929,929	2,274,034	655,895	28.84%
Operating expenditure	1,508,095	1,113,546	394,549	35.43%
Operating expenses	1,013,880	932,635	81,245	8.71%
Other profits and losses	527,166	772,168	-245,002	-31.73%
Earnings before tax	935,120	1,000,021	-64,901	-6.49%
Current period net profit	777,093	871,045	-93,952	-10.79%
After-tax EPS (NT\$)	3.35	3.75	-0.40	-10.67%
Return on shareholders' equity	10.93%	12.05%	-1.12%	-9.29%

(2) Operating income and expense and profitability: The Company's 2015 earnings amounted to NT\$2,929,929 thousand, representing an increase of NT\$655,895 thousand (28.84%) from the NT\$2,274,034 thousand of the previous year, mainly due to the increase of brokerage fee income. The Company's 2015 expense amounted to NT\$2,521,975 thousand, representing an increase of NT\$475,794 thousand (23.25%) from the NT\$2,046,181 thousand of the previous year, mainly due to the increase of operating expense resulted from the increase of related earnings. Other profit and loss amounted to NT\$527,166 thousand, representing a decrease of NT\$245,002 thousand (31.73%) from the NT\$772,168 thousand of the previous year, mainly due to the sale of stock in Futures Exchange in 2014 with a profit of NT\$277,164 thousand generated. The 2015 net income before tax amounted to NT\$935,120 thousand, representing a decrease of NT\$64,901 thousand (6.49%) from the NT\$1,000,021 thousand of the previous year. The net income amounted to NT\$777,093 thousand, representing a decrease of NT\$93,952 thousand (10.79%) from the NT\$871,045 thousand of the previous year.

(3) Profitability:

Return on net worth: The 2015 after-tax earnings of NT\$777,093 thousand and shareholders' equity of NT\$6,777,107 thousand represented a 10.93 % return on shareholders' equity. Compared to last year's after-tax earnings NT\$871,045 thousand, shareholders' equity NT\$7,448,028 thousand, and 12.05% return on shareholders' equity, decreased by 9.29%.

Net profit margin: The 2015 after-tax earnings of NT\$777,093 thousand and revenues totaling NT\$2,929,929 thousand represented a 26.52% net profit margin. Compared to last year's after-tax earnings NT\$871,045 thousand, revenues NT\$2,274,034 thousand, and 38.30% net profit margin, decreased by 11.78%.

EPS after tax: The 2015 EPS after tax was NT\$3.35, representing a decrease of 10.67% from the EPS NT\$3.75 after tax of the previous year.

IV. Research and development:

1. Diversified research report:

The Company's Research Department had the 2014 diversified research practice extended into the year of 2015. The importance of functional uniqueness was stressed in 2015 as follows:

- (1) APP 24hrs market news flash: Provide investors with the most direct information to help investors grasp the immediate commodity futures trend with the latest news in order to make more comprehensive operation judgment.
- (2) APP news morning call: Provide investors with the latest market information of the USA and Europe and FTX, including the information of change in bargaining power, so that investors can know early in the morning about the change in international market occurred in the night before.
- (3) Special Report "Hot" Series: Focus on reviewing the technical and fundamental aspect of hot commodities futures; also, provide economic data in-depth so that investors can grasp the most recent development of the eight categories of futures.
- (4) Professional article "Technical indicators taking you into the options trading": Collaborate with the Futures Advisory Business Department to publish it, including the research result in this publication so that the majority of potential customers can be guided by this article to enter the option strategy trading market and to provide investors with diversified and strategic commodities.

In addition, the Research Department had the relevant research reports published on multiple platforms in 2015 in response to investors' continuing demand for information and professional interpretation with particular emphasis on overseas futures market analysis and targeting on diversified and functional research to meet customer's demand continuously in 2016.

2. Program trading project:

The Company is committed to developing program trading and the number of users increased by 158% in 2015, indicating investor's willingness of accepting program trading higher than before. In response to the overall market demand, the Company's Futures Advisory Business Department has successfully launched a series of program trading curriculum with fees charged. A total of 10 series of curriculums are offered annually, including the course topics of: program trading prep classes, MTC grammar strategy practice course, and MTC futures market practice course.

In addition, provide investors who do not know how to write programs with an alternative with Yuanta's MULTICHARTS "Yuanta strategy winners" strategic lease service in order to help investors take the first step in program trading. The relevant services will be promoted continuously in 2016.

The Company, for providing customers with the most professional program trading knowledge, has hosted program trading investment seminars frequently and used innovative concepts to research and develop the relevant program trading systems forcefully in order to achieve the ultimate goal of protecting customer's trading profits!

V. Future operating plans and development strategies

1. Steady growth of brokerage market share: Create markets differentiated services and enhance global business capacity.

2. Actively support the IB-channel domestic futures options and overseas futures business.
3. Increase customers margin AUM: Provide foreign corporations, domestic financial corporations, and large institutional shareholders with a friendly investment environment based on an image of stable finance.
4. Continue to launch new products in compliance with the policy of Taiwan Futures Exchange.
5. Utilize proprietary transaction technology and strengthen asset management capabilities.
6. Continue to improve the Company's operation and management system: Integrate and optimize regulatory compliance, internal control and audit, corporate governance, and risk management structure in order to reduce operational risk.
7. Develop futures advisory business, from educating customers in-depth to teaching customers to write their trading strategy and logics into the programs, to conduct testing, to increase opportunities for profitable trading and to help business grow comprehensively for a more profound risk control.
8. Exert the high transparency of finance and business of GTSM-listed companies and strict corporate governance, enhance the performance of internal operations, fully implement corporate internal control system, establish a high-quality image, and ensure its status as an indicator in the Taiwan futures market.
9. Incorporate the resources and channel scale of Financial Holdings, and develop into an international futures company with transactions of securities, non-securities, bulk materials, and foreign currencies, etc.
10. Work with the Financial Holdings to actively deploy Asian markets and to establish the tri-transaction information network of Taiwan, Korea, and Hong Kong with a complete service structure provided.

In prospect, the Company will base on an operating strategy of integrity, excellence, stability, and innovation to improve futures professionalism and visibility of the Company in Taiwan and Asian markets, to strengthen brokerage channels, IB services, institutional investor services, futures advisory, and investment management; also, to develop competitiveness on the IT platform, risk control, interactive marketing services, and research and development, and to pioneer the deployment of Asian market and seek new sources of business operation and profit growth towards becoming the best omnibus futures service business entity within the market openness and regulatory scope authorized by the competent authorities.

We wish all shareholders
good health and prosperity in the future

Yuanta Futures Co., Ltd.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Two. Company Profile

I. Date of establishment: April 9,1997.

II. Address and telephone number of the Head Office and branches:

Name	Address	TEL
Head Office	11F and 12F, No. 225, Sec. 3, Nanjing East Rd., Zhongshan Dist., Taipei City	(02)2717-6000
Hsinchu Branch	B1-1, No.373, Sec. 1, Guangfu Rd., Hsinchu City	(03)666-2558
Taichung Branch	4F-1, No.8, Sec. 2, Ziyou Rd., Central Dist., Taichung City	(04)3703-3368
Tainan Branch	4F, No.147, Kaiyuan Rd., North Dist., Tainan City	(06)235-5999
Kaohsiung Branch	7F-1, No.143, Zhongzheng 4th Rd., Qianjin Dist., Kaohsiung City	(07)215-7777

III. Corporate history:

Year	Major events:
1997	<ul style="list-style-type: none"> ● The establishment of Polaris Futures Brokerage Co., Ltd., began its preparation in March. ● The incorporation of Polaris Futures Brokerage Co., Ltd., was approved in April with a capital stock of NT\$200,000,000 authorized. ● The Company commenced business in July, and engaged mainly in futures brokerage.
1998	<ul style="list-style-type: none"> ● Completed a cash issue totaling NT\$300,000,000 in February; share capital increased to NT\$500,000,000. ● Completed a cash issue totaling NT\$100,000,000 in May; share capital increased to NT\$600,000,000. ● With the approval of the Securities and Futures Commission, Ministry of Finance, on September 28, the Company changed its name to Polaris Futures Co., Ltd. and engaged in proprietary futures trading. ● The Company created its proprietary futures trading department created in December, and was the first to do so among in the futures industry.
1999	<ul style="list-style-type: none"> ● Completed a cash issue totaling NT\$15,000,000 in July; share capital increased to NT\$615,000,000. ● In July, the Company became the first in the business to organize a futures trading competition; it led to a wave of creative marketing based on this campaign. ● Kaohsiung Branch was established in August. ● In October, the Company became the first to be granted the permission for online futures trading.
2000	<ul style="list-style-type: none"> ● Completed a cash issue totaling NT\$15,000,000 in August; share capital increased to NT\$630,000,000. ● Taichung Branch was established in September.
2001	<ul style="list-style-type: none"> ● In December, the Company became one of the first market-makers of TAIFEX options.
2002	<ul style="list-style-type: none"> ● In October, the Company introduced its online options trading platform. ● In November, the Company was approved by the Securities and Futures Commission, Ministry of Finance, to engage in futures consultation services.

Year	Major events:
2003	<ul style="list-style-type: none"> ● In January, the Company introduced an advanced version of its online options trading platform. ● In January, the Company became one of the first market-makers of stock options. ● In March, the Company introduced its “F.O.U.R System”, an integrated trading platform for stocks, futures, and options customized for institutional investors. It offered advanced functions such as portfolio returns tracking. ● In September, Polaris Futures merged with REFCO Taiwan Co., Ltd., a member of the world’s largest futures merchant - REFCO Group, and changed its name to Polaris Refco Futures Co., Ltd. ● In September, the Company made a cash issue for the merger totaling NT\$465,800,000. Its paid-up capital was raised to NT\$1,095,800,000. ● In November, the Company reduced its share capital by NT\$450,800,000 to NT\$645,000,000.
2004	<ul style="list-style-type: none"> ● In January, the Company launched its “Gold Trading Platform” where investors can trade gold futures over Chicago Board of Trade (CBOT) using fully localized interface. ● In June, the Company launched an “Oil Trading Platform” in joint effort with “Nihon Unicom Corporation”, one of Japan’s top three futures merchants. It was the first cross-border oil futures trading platform in the country. ● In September, the Company was granted the role of market-maker for CBOT’s mini-sized gold futures in Asia, and became the nation’s first market-maker for CBOT products. ● In October, the Company was approved by the Securities and Futures Bureau, Financial Supervisory Commission, to register in the Emerging Stock Market; on 27 October, it became the first futures merchant in the nation to be listed on the Emerging Stock Market (securities code: 6023).
2005	<ul style="list-style-type: none"> ● In May, the Company introduced its “BT Trade System” which incorporated the advanced technologies of Daishin Securities (Korea). The trade system offers advanced functionalities such as program trading, arbitrage modeling etc. ● In July, the Company launched its 4-in-1 AP software – “Super TWEWinner”. It was the first AP software that integrates stock, futures, options, and offshore futures all into one package. ● In July, the Company capitalized NT\$77,400,000 of its earnings, which increased share capital to NT\$722,400,000. ● In December, the Company was approved by the competent authority to undertake the role of market-maker for CBOT’s 100 Ounce Gold Futures.
2006	<ul style="list-style-type: none"> ● In February, the Company signed an agreement with Man Financial Inc. (Singapore), a member of UK’s MF Global Group, and agreed to change its name to Polaris Futures Co., Ltd. MF Global is a public listed company in London Stock Exchange, and comprises part of the FTSE 100 Index. ● In March, the Company organized a “Winners’ Club” in an attempt to secure winning customers and invite winning traders throughout the market into sharing their winning experiences and secrets. ● In March, the Company was granted the role of market-maker for gold futures listed on Taiwan Futures Exchange, MSCI Taiwan Index Futures, and MSCI Taiwan Index Options. ● The Tainan Branch was established in March.

Year	Major events:
	<ul style="list-style-type: none"> ● The Company held its 2th “Polaris Winner Competition” in April. ● The change of company name to Polaris Futures Co., Ltd. was approved by the competent authority in April. ● The “Winners’ Blog” was officially opened in July. ● The Company published the new book – “Winners’ Diary” in August. ● In August, the Company capitalized NT\$79,464,000 of its earnings, which increased share capital to NT\$801,864,000. ● In August, the Company organized a seminar on “Investments Recommended by the World’s Visionaries.” Many of the world’s renowned visionaries were invited to the seminar, and forecast an over decade-long rise of agricultural prices. In light of this trend, the Company introduced a trading platform customized for the trading of six agricultural commodities (including: CBOT wheat, corn, soy bean and NYBOT coffee, cotton, and sugar).
2007	<ul style="list-style-type: none"> ● The Company held a “Winners’ Club” event in November. ● The “Multiple Winner” was held in March to have the “King of Precision” and “King of Multiple” elected. ● OTC listing application was authorized in March. ● In April, the Company was selected “2006 Taiwan Large Corporation Top 5000”, and ranked first in the futures industry. ● The Company held its 3th “Polaris Winner Competition” in April. ● The Company published the new book – “Winners’ Diary II” in May. ● OTC listing application was filed in May, becoming the first futures commission merchant to file for OTC listing in Taiwan. ● In June, the Company launched its offshore options trading platform ahead of all industry participants. ● The Company’s GTSM listing application was passed in July by the Review Board of GreTai Securities Market. ● The Company’s GTSM listing application was passed in August by the Board of Directors of GreTai Securities Market. ● In September, the Company capitalized NT\$149,146,710 of its earnings and paid employees’ bonuses totaling NT\$23,815,090 in shares, which increased share capital to NT\$974,825,800. ● The Company held a series of seminars on the “Polaris Winner Competition” in September. ● The Company held a “Global Currency and Energy Investment Seminar” in October. ● In October, the Company was granted the role of market-maker for the “10-year Government Bond Futures”, “30-Day Commercial Paper Interest Rate Futures”, “Taiwan Stock Exchange NonFinance NonElectronics Sub-Index”, “Taiwan Stock Exchange NonFinance NonElectronics Sub-IndexOptions”, “GreTai Securities Market Capitalization Weighted Stock Index”, and “GreTai Securities Market Capitalization Weighted Stock IndexOptions” listed on Taiwan Futures Exchange. ● In October, the Company made a cash issue totaling 12,190 thousand shares at a face value of NT\$10, which increased share capital to NT\$1,096,725,800. ● OTC listing was authorized by GreTai Securities Market in November with the Securities code: 6023 assigned, becoming the first futures commission merchant for OTC listing in Taiwan.
2008	<ul style="list-style-type: none"> ● In January, the Company was granted the role of Market Maker for TAIFEX

Year	Major events:
	<p>NT Dollar Gold Futures.</p> <ul style="list-style-type: none"> ● In April, the Company organized an “Asian Market Investment Conference” in joint effort with Singapore Stock Exchange, the first in Asia Pacific to introduce both securities and derivatives, and MSCI Barra, the global index provider. During the conference, one of the world’s top ten technical analyst - Mr. Daryl Guppy was invited to share his investment experiences. ● In April, the Company was selected “2007 Taiwan Large Corporation Top 5000”, and ranked second only to Taiwan Futures Exchange Corporation in the futures industry. ● In April, the Board of Directors passed the proposal to invest in futures trust services. ● The annual general meeting held in June passed the creation of a “Futures Management” segment. The Securities and Futures Bureau granted the business license later on 23 October, and the segment soon commenced business on 11 November. ● In July, the Company capitalized NT\$188,636,840 of its earnings and paid employees’ bonuses totaling NT\$27,400,240 in shares, which increased share capital to NT\$1,312,762,880. ● In July, the Company was selected “2008 Taiwan Large Corporation Top 5000”, and ranked first in the futures industry. ● The Hsinchu Branch was established in August. ● In August, the Company joined Bank of Taiwan in the organization of Gold Seminars. ● In October, the Company launched its “Euro-platform” ahead of competitors. It offers online trading of Europe’s three major index futures and gives investors an easy access to the European futures market. ● In December, the Company was reviewed by Taiwan Corporate Governance Association and was awarded with its “CG6004 Corporate Governance Certification,” making it the first futures company to receive “CG6004” certification with the charting ceremony scheduled on December 17. ● In December, the Company submitted an application to Taiwan Futures Exchange for the role of market-maker in gold options. Its role as a “TAIFEX Gold Options Market Maker” was officially approved on January 19, 2009. ● In December, the Company held a series of seminars on “Global Economic Prospects under the Financial Crisis”.
2009	<ul style="list-style-type: none"> ● In March, the Company was accredited by Taiwan Futures Exchange Corporation as 2008 Top Volume Futures Commission Merchant. ● In May, the Company joined CME Group to organize the event – “Futures USA”. ● In May, the Company joined MF Global in creating a joint venture named MF Global Futures Trust Co., Ltd. The joint venture commenced business on May 8, 2009 to become the first futures trust company in Taiwan. ● In June, the Company joined Polaris Securities / Wealth Invest Weekly in organizing a “2009 2nd Half Investment Prospect Seminar”. ● In June, GreTai Securities Market approved the margin trading of the Company’s shares (coded: 6023), effective since 9 June 2009. ● The 24hr Global Trading Center was created in July. ● In July, the Company was selected by China Credit Information Service Ltd. as “2009 Taiwan Large Corporation TOP 5000”, and ranked first in the futures

Year	Major events:
	<p>industry.</p> <ul style="list-style-type: none"> ● In August, the Company was selected by China Credit Information Service Ltd. as “2009 Taiwan Large Corporation TOP 5000”, and ranked first in terms of net revenues among futures commission merchants. ● In August, the Company held the first “Offshore Futures Forum” in Taiwan. ● In September, the Company joined Money Weekly in organizing the “Cross-Strait Investment” forum. ● In October, the Company held its “Million USD Trading Competition”. It was the first trading competition in Taiwan that featured offshore futures. ● In December, the Board of Directors agreed to commission Pricewaterhouse Coopers as financial consultants to assist the Company in searching viable targets in China, through which the Company may broaden the reach and depth of its services by way of investment or other cooperative arrangements.
2010	<ul style="list-style-type: none"> ● In June, the Company signed a letter of intent with Everbright Futures; both parties agreed to cooperate on business development by investing a 20% interest in each other. ● In June, the Company joined Business Next Magazine in organizing the forum – “Searching for the Next Sorros”, in an attempt to attract IT talents into the financial industry. ● In June, the Company joined Polaris Securities and Marbo Weekly in organizing 4 large-scale seminars on “2010 Investment Prospects”. ● In July, the Company was granted the permission to engage in proprietary securities trading. ● In July, the investee - MF Global Futures Trust Co., Ltd. was approved by the Financial Supervisory Commission to offer its “MF Global Multi-Strategy Futures Trust Fund”. The offering commenced in August and the fund was officially set up on September 2. ● In August, the Company was granted the permission to engage in securities introducing brokerage. ● In August, the Company joined The Children Charity Association, R.O.C. in organizing a charity campaign – “Marching Hand-in-Hand”; this was the Company’s attempt to put its influences into good cause. ● In September, the Company became a trading member of EUREX. ● In October, the Company joined CME Group to organize the event – “US Futures Initiative”. ● In November, the Financial Supervisory Commission passed the Company's application to create a Hong Kong subsidiary. The Hong Kong subsidiary was registered later on December 2. ● In December, the Company entered an industry-academia collaborative arrangement with Feng Chia University in an attempt to nurture financial talents for the future.
2011	<ul style="list-style-type: none"> ● In January, the Company joined MoneyWeekly Magazine in organizing 5 investment seminars on “2011 Global Capital Movements”. ● In March, the Company was granted the role of Market Maker for Stock Index Futures. ● In March, the Company’s “Consultative co-operation agreement” with Everbright Futures Co., Ltd. ● In April, the Company introduced the new “FTSE Xinhua China A50 Index” from Singapore Stock Exchange following the latest deregulations. The index

- offered a quick access for investing in the Chinese market as well as an effective hedging tool.
- In May, the Company supported Taiwan Futures Exchange Corporation's efforts in promoting stock futures trading, by organizing nation-wide seminars on the 12-week tax-saving window and introducing "Tax Saver" tools to assist investors' decisions. These events were promoted using extensive exposures through the financial press.
 - "Global Strategic Platform" launched in May offered a fine selection of trading strategies, through which investors were able to minimize risks and choose portfolios that best suited their preferences.
 - In May, the Company joined the Pension Fund Association R.O.C. in organizing a seminar on "Corporate Investment Strategies under the Changing Environment". Insurance companies, the Four Funds, and school insurance providers were invited to take part in CTA investing.
 - In June, the Company was awarded "Top 10 Outstanding Enterprises of the Year" and "Top 10 Outstanding Managers of the Year" during the Ninth Golden Torch Award organized by the Outstanding Enterprise Manager Association R.O.C.
 - The Company organized "The 2th Computer Gaming Tournament" in June in an attempt to step away from the vicious competition for talents within the industry, and systematically develop trading talents.
 - In July, the Company was awarded with the 11th "Outstanding Corporate Leader" and "Outstanding Futures Talent" during the Eleventh Golden Goblet Award organized by the Securities and Futures Institute.
 - In July, the Board of Directors passed to submit an application for a brokerage membership in SGX-DT (Derivatives Trading).
 - In August, the Company joined Yuanta Futures Co., Ltd. in organizing 7 sessions of "2011 Second Half Investment Highlight Seminar", which attracted more than 1,200 audience. The two companies were already warming up to the official business merger scheduled in April 2012.
 - In August, the Board of Directors approved the Company's merger with Yuanta Futures Co., Ltd. and a cash issue to complete the merger.
 - In September, Polaris Futures formed a cross-industry alliance with the Game & E-Sports Professional League – "SOC Gaming", and identified the top 300 gaming experts as potential trading talents.
 - In September, the Board of Directors passed to submit an application to CME Group for a membership in Chicago Mercantile Exchange (CME).
 - In October, the Company joined Yuanta Futures in organizing the "CME Trade Tournament". The campaign closed at the end of November with 30 thousand more contracts traded in just two months; it was a fine example of how Yuanta Polaris Futures Co., Ltd. produces "1+1>2" synergy effect.
 - In November, the Company was named "Outstanding Merchant in R.O.C." by the Ministry of Economic Affairs, and was the only financial institution to be accredited.
 - The Company assembled the "Remuneration Committee" in November.
 - In December, the Financial Supervisory Commission approved the Company's merger with Yuanta Futures Co., Ltd.
 - In December, the Company was reviewed by Taiwan Corporate Governance Association and was awarded its "CG6006 Corporate Governance

Year	Major events:
2012	<p>Certification” in December 28, making it the first CG6006 futures company to receive such certification.</p> <ul style="list-style-type: none"> ● In December, Vice Chairman and General Manager Ms. Chou, Hsiao-Ling was rated “Top Hundred MVP Managers” in 2011. ● In December, the Company joined Yuanta Futures in organizing 3 sessions of “Taiwan Stock Market 101” seminar, and delivered a detailed analysis of what to expect in the upcoming presidential election and Chinese New Year season. ● In January, the Financial Supervisory Commission approved the Company’s new share issue to complete its merger with Yuanta Futures Co., Ltd. ● In January, the Board of Directors passed to submit an application for a membership in Intercontinental Exchange (ICE), U.S. ● In January, the Company took no break in Spring Festival event for promotion of overseas futures, which helped to boost up sales in foreign futures. ● In April, the Company was merged with Yuanta Futures, and was renamed as “Yuanta Futures Co., Ltd.” ● In April, the Company launched the “Money to Singapore” event jointly with Singapore Stock Exchange, and unveiled the three hot items of Asia, namely, STW, SCN, and SIN. ● In May, the “Auditing Committee” was established to substitute the functions of the supervisors in monitoring the treasury, internal control, compliance and the control of potential risks. ● In May, the Company was qualified as a member of NYSE Liffe, which made Yuanta Futures the only futures firm in Taiwan that has acquired membership of two major exchanges in Europe. ● In June, the Company launched series of “Knighthood Decoration” for pooling good people in the industry. Hundreds of students have participated in the event. ● In July, the Company entered into MOU with China Development Bank Futures in consulting cooperation ● In July, the Company organized the “Olympic European Debt Cup” jointly with Eurex and NYSE Liffe, the first time where bonds and futures were used as the core product. ● In August, the Company entered into the “Agreement on Futures Options Consulting Cooperation” with China Development Bank Futures of Mainland China. ● In October, the Company organized 27 “Options of the Week” events and launched new futures options jointly with Taiwan Futures Exchange. ● In October, the Company worked in cooperation with CME Group in holding the “US Bonds Election Campaign”, with US bonds as the products in the contest. ● In October, the Company won three championship from TWSE in stocks and futures in the seminar with the management of futures firms: (1) Excellence Award (total brokerage volume): Yuanta Futures is ranked the first place; (2) Pinnacle Award (total proprietary volume): Yuanta Securities is ranked the first place; (3) Preeminence Award (total IB trading volume): Yuanta Securities is ranked the first place. ● The Company was authorized by the Financial Supervisory Commission to 100% invest in overseas IT company in October; also, participated in the futures market of China in another form to enter Chinese market.

Year	Major events:
2013	<ul style="list-style-type: none"> ● In November, the Company became the first futures firm in Taiwan being approved to 100% invest for the establishment of a wholly-owned subsidiary overseas; the Yuanta Futures (HK) Co., Limited opened. ● In December, the Company organized the “TXO Week Maturity Month Contest” Phase I jointly with TWSE, and was awarded with the first prize of the “Champion of FCM Group in Total Trading Volume of All Locations.” ● In January, the Company organized the “Flexible TXO Deployment Week” 4 large-scale lecture tours, close to 39 small seminars, and about 1,400 persons’ participation; was awarded the “Champion of FCM Group in Total Trading Volume of All Locations” for two consecutive years. ● In April, the Company organized the “currency war” accompanied the current event of Asia exchange rates continually to weaken, and attracted the customer by multiple prizes to participate in the trading of CME FX Futures commodities. During the period of activities, these contributed to the growth of more 31.71% in trade and the net increase of 77 thousand by volume than the previous quarter. ● In April, with the reduction of Futures Transaction Tax, the Company targeted on high frequency trading and the Petty bourgeoisie group to promote the “Strategy of Day Trade”. The Company organized large-scale reunion serial courses with 200 more sessions integrating the proprietary trading know-how, which were the only consulting and innovation course. ● In April, the Company completed the merger of Liuohe and Kaohsiung Branch and organized serial activities such as the moving tea party, the gifts for daughter’s returning home, and the prospect in the second quarter, etc. ● In April, the Company transferred the investment in the subordinate, SYF Information (Shanghai) Limited in China and was officially licensed to run a business for an enterprise legal person in China. It is leading the industry in running business and operations actively in China. ● In June, the chairman of the board, Mr. Ho, Ming-Hong, took over the 4th chairman of the Chinese National Futures Association. ● In June, the Company and Yuanta Financial Holdings were both honored with an A++ ranking in the 10th Information Disclosure Evaluation System for Publicly Traded Companies held by Securities and Futures Institute, which was the only futures company in Taiwan. ● In July, the Company was selected “2013 Taiwan Large Corporation Top 5000”, and ranked first in the futures industry. ● In July, the Company organized “USA stocks challenge competitions” and innovated the virtual channels partnership to attract bloggers’ fans and more than thousands of walk-in customers to set a new record. ● In August, the Company won the No.1 of the brokerage firm consolation prize in the first phase in May, June, and July of tax deduction promotion activities held by Taiwan Futures Exchange, No.1 of brokers trading gold award, No.1 of brokerage firms’ associated person award, No.1 of dealer excellence award, and No.1 of proprietary trader award. ● In November, the Company published “Big Winner of the bears and bulls”, more than 2,500 sold in a short two months after coming into the market. ● In December, the Company organized “cross borders of Europe and America”. Encouraged customers of the US market to make attempts in the European market. Organized 105 seminars for the European market. ● In December, the Company won the No.1 of the brokerage firm consolation

Year	Major events:
	<p>prize in the second phase in August of tax deduction promotion activities held by Taiwan Futures Exchange, No.1 of brokers trading gold award, No.1 of brokerage firms' associated person award, No.1 of dealer excellence award in August, September, October, November, and December, and No.1 of proprietary trader award.</p> <ul style="list-style-type: none"> ● The Company participated in the On-Line Demo Trading FCM Contest of Taiwan Futures Exchange in December and had won the first place in September, October, and November for three consecutive months. The Groups' IB had performed outstandingly with close to 80% winning rate, including, Yuanta Securities won the first place in September and Reliance Securities Co., Ltd. ranked in the second place in September, the first place in October, and the first place in November. KING FONG SECURITIES was ranked in the second place in October and November. Taichung Bank Securities was ranked in the third place in October, indicating the successful cooperation of the Company with IB channel in a long run.
2014	<ul style="list-style-type: none"> ● In January, the invested company, BaoFu Futures Trust Co., Ltd. changed the Company name to MF G Investment Consulting Co., Ltd. ● The Company won the first place in stock futures FCM trade at the Taiwan Futures Exchange in January – March. ● The Company won the second place in stock futures FCM trade at the Taiwan Futures Exchange in April - May. ● Eurex/TAIFEX Link marketing activities were promoted in May in response to Taiwan Futures Exchange authorizing EUREX to trade on “Taiwan futures and the daily futures on TXO contract.” Also, the Company held 5 seminars with over one hundred participants each time to vigorously assist the Taiwan Futures Exchange in promoting Taiwan futures products. ● The Company won the first place in stock futures FCM trade at the Taiwan Futures Exchange in June. ● The Company and Yuanta Financial Holdings had received the “A++ highest honor” in the 11th Disclosure of Information Evaluation in June from Securities and Futures Institute; also, the Company is the one and only futures company in Taiwan to receive such honor for two consecutive years. ● In July, the Company was selected “2014 Taiwan Large Corporation Top 5000”, and ranked first in the futures industry. ● In July, the Company won the third place at the TX FCM trade Gold Medal at the Taiwan Futures Exchange in October. The associated IB of Yuanta Securities won the first place in the IB trade Gold Medal. ● The Company was ranked in the first place at the Eurex/TAIFEX Link Trading Contest program May ~ August FCM total trade volume, July FCM Transaction Award, and ranked in the first place for the additional trade volume. ● The Company worked with the Taiwan Academy of Banking and Finance (TABF) in September to launch the “International Trader Recruitment” campaign with 10 activities arranged in Taipei, Hsinchu, Taichung, Tainan, and Kaohsiung that attracted more than 1,100 young student participants. ● The Company was awarded with The Leadership Award in September by The Asset Magazine. ● The Company was awarded in September by the ROC Outstanding Enterprise Manager Association with the 16th Jinfeng Award “Top-Ten Outstanding Enterprises.”

Year	Major events:
	<ul style="list-style-type: none"> ● The Company won the Award of FTX FCM and OTX FCM Stage 2 trade competition program of the Taiwan Futures Exchange in September. ● The Company was awarded with the “Outstanding Enterprise” at the 11th National Brand Yushan Award in October by the ROC National Enterprise Competitiveness Development Association and The National Brand Yushan Award Admission Committee. ● The Company was awarded with the 68th “ROC Excellent Businessmen Award” from General Chamber of Commerce of the ROC in October for the second time after the first award received at the 65th “ROC Excellent Businessmen” in 2011. ● In October, The Company won the first place at the TX FCM trade Gold Medal at the Taiwan Futures Exchange. The associated IB of Yuanta Securities won the third place in the IB trade Gold Medal.
2015	<ul style="list-style-type: none"> ● The Company launched the “2015 Global and Chinese Market Investment Outlook” seminar with Yuanta Securities and Yuanta Investment Trust in January to analyze global investment trends. ● The Company worked with Taiwan Academy of Banking again in April to hold the “International Trader and Broker Recruitment” in April that attracted more than 800 people to apply. ● The Company was awarded with the honor of the 1st corporate governance “OTC company top 5% performance” held by Taiwan Stock Exchange and Taipei Exchange in June. ● The Company and Yuanta Financial Holdings had received the “A++ highest honor” in the 12th Disclosure of Information Evaluation in June from Securities and Futures Institute; also, the Company is the one and only futures company in Taiwan to receive such honor for three consecutive years. ● The Company was recognized as the “Top-Ten Companies” at the 12th Golden Torch Award in June by the Outstanding Enterprise Manager Association. ● The Company was renamed as “Yuanta Futures Corporation” in July. ● In response to the first exchange instrument – RMB exchange futures introduced by Taiwan Futures Exchange in July, The Company offered new domestic exchange futures commodity trading service, held 5 large-scale and several moderate seminars to help promote new commodities. ● The Company was qualified as a leverage trader with the approval of the competent authorities in July, the one and only futures commission merchant received such honor in Taiwan. The Company will be able to issue new financial instruments in the future, increase the flexibility of product innovation and design, and fulfill customer’s needs comprehensively. ● The capital increase of the subsidiary, SYF Information Co., Ltd., was authorized by the competent authorities in August and the process of capitalization was completed in October. ● The establishment of the Ethical Management Committee was resolved by the board of directors in August. ● The Company was awarded with the “Best Futures House, Taiwan” by The Asset magazine in September. ● The Company was awarded with the “NON-BANK FCM OF THE YEAR” by the Futures Options World magazine (FOW) in September. ● The Company was awarded with the “Outstanding Enterprise” and

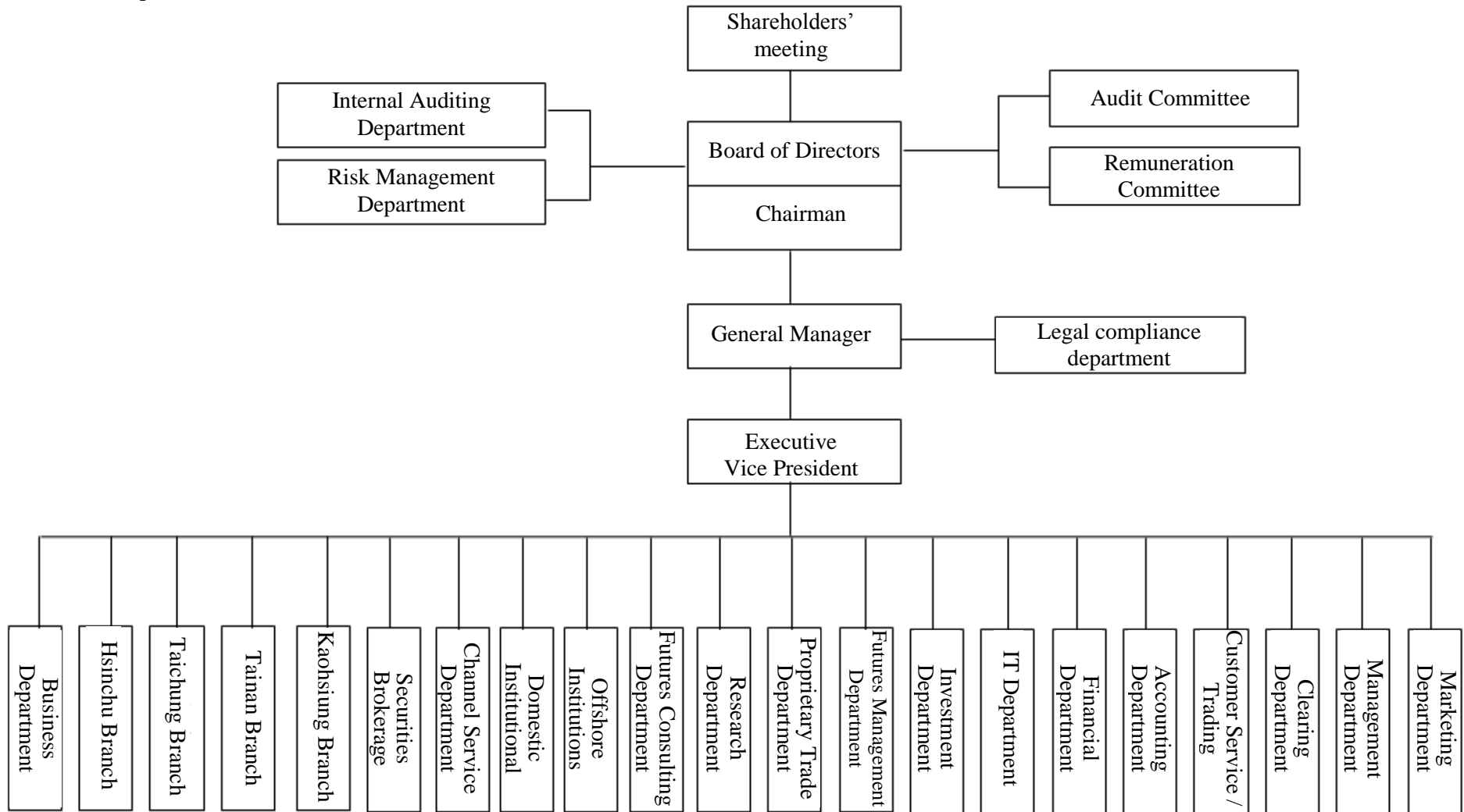
Year

Major events:

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- “Most Popular Brand” at the 12th National Brand Yushan Award in October.
 - The Company was awarded with the “Annual Contribution Award” and “RMB Account Promotion Award” in November at the 1st Futures Diamond Award by Taiwan Futures Exchange.
 - The Company was awarded with the “Outstanding Futures Talent” at the 13th Golden Goblet Award in December.

Three. Corporate Governance

- I. Organizational structure
 - (I) Corporate structure



Note: The Company had the “Ethical Management Committee” organized in August 2015 under the administration of the Board of Directors; however, the Company’s organizational chart and “organization charter” were amended by the Board of Directors in April 2016.

(II) The responsibilities of various divisions

Department	Main responsibilities
Auditing Department	Conduct audit on the enforcement of the internal control system by respective functional units and propose recommendation of corrective action, and keep track on the status of corrective action.
Risk Management Department	Responsible for the management and control of the overall market risk, credit risk, model risk, liquidity risk, and system risk of the Company, and monitor the business units in trading hours and analysis at the close of the market.
Compliance Department	Responsible for the gathering of information on the laws governing the operation of the Company and the analysis of the applicability and review of the situations, the study and management of different kinds of contracts, advice and handling of legal disputes and lawsuits, the design, management, and enforcement of compliance system, works related to share registration, the Board, and the Audit Committee, the enforcement of corporate governance, application for licensing and license renewal with the competent authority.
General Planning Department	The Department is responsible for the Company's short-term, mid-term, and long-term development planning, promoting corporate social responsibility, analyzing corporate performance, planning general marketing service, investigating market development, maintaining public relations, conducting advertising and propaganda operations, and the planning and execution of e-commerce.
Management Department	Responsible for handling the affairs related to the Remuneration Committee, administration, general affairs, archives, personnel, education and training, compensation and benefits, labor safety and health, employee benefits committee affairs; also, the purchase, repair and management of assets, electrical engineering, communications, equipment and office supplies.
Clearing Department	Responsible for processing the request for clearing and settlement of futures trade by investors or commission futures merchants.
Customer Service / Trading Department	Responsible for executing the transaction orders of futures trade by investors or commission futures merchants and related customer services.
Accounting Department	Responsible for the establishment and execution of the accounting system of the Company, bookkeeping, compilation and declaration of financial statements, tax planning and declaration, budgeting for the Company, and the compilation of statements for profit center operation.
Financial Department	Responsible for the overall planning of the financial structure of the Company, fund appropriation, and cashier service.
IT Department	Responsible for the assessment, planning, and execution of the computerization of the business process, the development of software and maintenance of hardware of the information system, development and maintenance of the website, and webpage design.
International Business Department	Responsible for the design of the long, mid, and short-term investment plans and investment directions, establishment of corporate management system, analysis of operation evaluation. Assist the investees in financial management, compliance, establishment and control of risk management mechanism, the design, execution and supervision of the business platform.
Futures Management Department	Offers discretionary futures trading services.

Department	Main responsibilities
Proprietary Trade Department	Engaged in proprietary trade of futures and securities announced by the competent authority at home and abroad, and the research and development of the proprietary trading system.
Research Department	Research and analysis, market survey, and the development of futures trade related products.
Futures Consulting Department	Provide research report and analysis of futures trade, give opinions and suggestions, at the appointment of designated parties, publications, or holding seminars.
Domestic Institutions Department	Handling onshore and offshore futures trade orders of domestic institutional investors as announced by the competent authority. Provide market information, research reports, trade information related to institutional investors.
Offshore Institutions Department	Handling onshore and offshore futures trade orders of domestic institutional investors as announced by the competent authority. Provide market information, research reports, trade information related to institutional investors.
Network Business Department	Supervise and assist the futures introducing brokers, solicit business and provide brokerage service for the Company in opening new accounts and placing trade orders for the investors.
Securities Brokerage Department	Execute orders for securities traded in the exchange and OTC markets and the trading of financial products permitted under law.
Business Department	Execute trade orders of futures at home and abroad, securities traded in the exchange and OTC market, securities IB business, and futures consulting business, and discretionary investment.
Branches	Execute trade orders of futures at home and abroad, securities traded in the exchange and OTC market, securities IB business, and futures consulting business, and discretionary investment.

II. Background information of the Director, General Manager, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

(I) Directors

1. The profile of the 8th directors

Data base line date: May 20, 2015 (office term expired)

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads			
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship	
Director	Republic of China	Yuanta Financial Holding Co., Ltd.	2012.05.23	3 years	2012.05.23	101,000,000	43.48%	159,467,282	68.65%	0	0	0	0	None	None	None	None	None	None
Chairman	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Lin, Tien-Fu (Note 4, 5)	2014.06.26	11 months	2014.06.26	0	0	0	0	0	0	0	0	General Manager, Yuanta Polaris Securities Co., Ltd. Vice Chairman, Yuanta Securities Finance Co., Ltd. Director and General Fuh Hwa Securities Investment Trust Co., Ltd. Director and Executive Vice President, Yuanta Core Pacific Securities Co., Ltd. Chairman, Ding Fu Securities Co., Ltd. Director, Yuanta Financial Holding Co., Ltd. Yu Da High School of Commerce and Home Economics Completed the Accounting Practice course of the Accounting Advanced Class 52 and Intermediate Accounting course of Class 57 arranged by the Center for Public and Business Administration Education, National Chengchi University (NCCU CPBAE).	The Company's Chairman, Director, Yuanta Educational and Cultural Foundation	None	None	None	
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Chou, Hsiao-Ling	2012.05.23	3 years	2007.11.21	70,772	0.03%	186,144	0.08%	0	0	0	0	Director and Vice Chairman, Yuanta Futures Co., Ltd. Director and Vice President, Overseas Chinese Bank. Polaris Futures Co., Ltd. MBA in Finance, National Taiwan University	The President of the Company, the Board Director of Yuanta Futures (Hong Kong) Limited, the Board Director of SYF Information Co., Ltd., the Board Director of SYF Information (SAMOA) Limited, the Board Director of SYF Information (Shanghai) Limited, the Board Director of Taiwan Futures Exchange, the supervisor of UHT Unitech Co., Ltd., and the Board Director of Yuanta Foundation	None	None	None	

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads		
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Ho, Ming-Hong (Note 5)	2012.05.23	3 years	2003.10.08	91	0.00%	0	0	0	0	0	0	Chairman, Yuanta Futures Co., Ltd. Chairman of Rosenthal Collins Group Ltd. Director, Yuanta Commercial Bank Director, Polaris Securities Co., Ltd. Director, Waterland Financial Holding Co., Ltd. Director, International Bills Finance Corp. Master of Business Administration, University of Washington, USA	The Chairman of the Chinese National Futures Association, the Board Director of Yuanta Financial Holdings, the Board Director of Yuanta Financial (Asia) Co., Ltd., the Board Directors of Yuanta Securities Co., Ltd., the Chairman of Yuanta Securities Co., Ltd., the Board Director of Taiwan Futures Exchange, the Legal Representative of Asahi Investment Co., Ltd., the Supervisor of UDN Co., Ltd., the Board Director of Lian-An Health Business Co., Ltd., and the Board Director of Yuan Foundation.	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Sung, Shiao-Chin	2012.05.23	3 years	2012.05.23	4,000	0.00%	4,000	0.00%	0	0	0	0	The Executive Vice President of Yuanta Futures Co., Ltd. MBA, Ming Chuan University	The vice president of Yuanta Financial Holdings Co., Ltd., and the vice president of Yuanta Securities Co., Ltd.	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Yu, Yao-Tin	2012.05.23	3 years	2012.05.23	0	0	0	0	0	0	0	0	Vice President, Yuanta Securities Finance The Chairman of Sicheng Information Co., Ltd. PhD, Information Science, University of Texas · Austin.	Director, Yuanta Financial Holding; Executive VP, Yuanta Securities Finance; Director, SYF Information Co., Ltd.; Director, SYF Information (Shanghai) Limited	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Chen, Hsiu-Wei (Note 6)	2014.06.26	11 months	2014.06.26	0	0	0	0	0	0	0	0	The Board Director of Yuan Securities Investment Consulting (Beijing) Co. Director and Executive Vice President, Yuanta Polaris Securities The Board Director of Yuan Venture Capital Co., Ltd. The Board Director of Yuan One Venture Capital Co., Ltd. The Board Director of Yuanta Financial (Asia) Co., Ltd. Department of Law, National Chung Hsing University	The Senior Vice President of Yuanta Financial Holdings, the Supervisor of Yuanta International Assets Management Co., Ltd., the Supervisor of SYF Information (Shanghai) Limited, and the Supervisor of SYF Information Co., Ltd.	None	None	None
Independent Director	Republic of China	Mr. Lai, Kun-Hung	2012.05.23	3 years	2012.05.23	0	0	0	0	0	0	0	0	The Vice President of the Motor Vehicle Accident Compensation Fund Executive Secretary, Financial Supervisory Commission. Section Officer, Section Manager, and Deputy Team Manager, Securities and Futures Bureau, Financial Supervisory Commission. MBA, National Taipei University	The supervisor of TSH Biopharm Corporation Limited, the independent director of Excellence Optoelectrics. Inc. and the supervisor of Medicalead Co., Ltd. (Discharged on March 8, 2016)	None	None	None
Independent Director	Republic of China	Mr. Huang, Jung-Hsien	2012.05.23	3 years	2012.05.23	0	0	0	0	0	0	0	0	Independent Director, Yuanta Securities Co., Ltd.; The chairman of Central Trust of China. The Counselor of Ministry of Finance, Department of Public Finance, National Chengchi University;	Independent Director, Yuanta Commercial Bank; Independent Director, Yuanta Securities Co., Ltd.	None	None	None

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads		
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Independent Director	Republic of China	Mr. Yeh, Shao-Wee	2012.05.23	3 years	2012.05.23	0	0	0	0	0	0	0	0	The vice president of Taiwan Futures Exchange and the vice president of Taiwan Deposit and Clearing Corporation. Department of Applied Mathematics, National Chung Hsing University	None	None	None	None

Note 1: The Company had the 8th directors elected entirely on May 23, 2012 for tenure from May 23, 2012 to May 20, 2015.

Note 2: The initial day of elected office of individual directors or representatives shall be initial day of office.

Note 3: As of May 20, 2015, the Company had 232,276,288 shares in circulation.

Note 4: Yuanta Financial Holdings had Mr. Lin, Tien-Fu delegated as the representative on June 26, 2014 for the period of June 26, 2014 to May 20, 2015. The former representative, Mr. Lu, Lih-Jeng, was dismissed on March 27, 2014.

Note 5: The former Chairman, Mr. Ho, Ming-Hong resigned on June 17, 2014. The Company had convened the board meeting on June 26, 2014 to have Mr. Lin, Tien-Fu elected as the Chairman for the term starting on June 27, 2014.

Note 6: On June 26, 2014, the representative of Yuanta Financial Holdings Co., Ltd., Mr. Hung, Wen-Ming, was replaced by Mr. Chen, Hsiu-Wei, who began his term from June 26, 2014 to May 20, 2015.

2. The profile of the 9th directors

Date of information: February 29, 2016

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads		
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Director	Republic of China	Yuanta Financial Holding Co., Ltd.	2015.05.21	3 years	2012.05.23	101,000,000	43.48%	159,467,282	68.65%	0	0	0	0	None	None	None	None	None
Chairman	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Lin, Tien-Fu	2015.05.21	3 years	2014.06.26	0	0	0	0	0	0	0	0	General Manager, Yuanta Polaris Securities Co., Ltd. Vice Chairman, Yuanta Securities Finance Co., Ltd. Director and General Fuh Hwa Securities Investment Trust Co., Ltd. Director and Executive Vice President, Yuanta Core Pacific Securities Co., Ltd. Chairman, Ding Fu Securities Co., Ltd. Director, Yuanta Financial Holding Co., Ltd. Yu Da High School of Commerce and Home Economics Completed the Accounting Practice course of the Accounting Advanced Class 52 and Intermediate Accounting course of Class 57 arranged by the Center for Public and Business Administration Education, National Chengchi University (NCCU CPBAE).	The Company's Chairman, Director, Yuanta Educational and Cultural Foundation	None	None	None

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads		
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Chou, Hsiao-Ling	2015.05.21	3 years	2007.11.21	70,772	0.03%	144	0.00%	0	0	0	0	Director and Vice Chairman, Yuanta Futures Co., Ltd. Director and Vice President, Overseas Chinese Bank. Polaris Futures Co., Ltd. MBA in Finance, National Taiwan University	The President of the Company, the Board Director of Yuanta Futures (Hong Kong) Limited, the Board Director of SYF Information Co., Ltd., the Board Director of SYF Information (SAMOA) Limited, the Board Director of SYF Information (Shanghai) Limited, the Board Director of Taiwan Futures Exchange, the supervisor of UHT Unitech Co., Ltd., and the Board Director of Yuanta Foundation	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Ho, Ming-Hong	2015.05.21	3 years	2003.10.08	91	0.00%	0	0	0	0	0	0	Chairman, Yuanta Futures Co., Ltd. Chairman of Rosenthal Collins Group Ltd Director, Yuanta Commercial Bank Director, Polaris Securities Co., Ltd. Director, Waterland Financial Holding Co., Ltd. Director, International Bills Finance Corp. Master of Business Administration, University of Washington, USA	The Chairman of the Chinese National Futures Association, the Board Director of Yuanta Financial Holdings, the Board Director of Yuanta Financial (Asia) Co., Ltd., the Board Directors of Yuanta Securities Co., Ltd., the Chairman of Yuanta Securities Co., Ltd., the Legal Representative of Asahi Investment Co., Ltd., the Supervisor of UDN Co., Ltd., the Board Director of Lian-An Health Business Co., Ltd., and the Board Director of Yuan Foundation.	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Kung, Shao-Hsing	2015.05.21	3 years	2015.05.21	0	0	0	0	0	0	0	0	Executive Vice President, Yuanta Securities Co., Ltd. Vice President, Yuanta Securities Co., Ltd. Department of Cooperative Economics, Tamkang University	Executive Vice President, Yuanta Securities	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Sung, Shiao-Chin (Note 4)	2015.05.21	2 months	2012.05.23	4,000	0.00%	0	0	0	0	0	0	The Executive Vice President of Yuanta Futures Co., Ltd. Vice President, Yuanta Financial Holdings Co., Ltd. Vice President, Yuanta Securities MBA, Ming Chuan University	(Note 4)	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Mr. Wang, Chun-Chien (Note 4)	2015.05.21	2 months	2015.05.21	0	0	0	0	0	0	0	0	Chief Executive Officer, E-commerce Dept, Yuanta Financial Holdings Co., Ltd. Senior Asst VP, China UnionPay Product Manager and Business Director of MasterCard International Co. Customer Management Manager of Hewlett-Packard Company Institute of System Engineering and Management, National Taipei University of Technology	(Note 4)	None	None	None
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Ms. Chen, Hsiu-Mei (Note 4)	2015.07.16	2 years and 10 months	2015.07.16	0	0	0	0	0	0	0	0	Chief Information Officer of Yuanta Financial Holdings Senior Vice President and Vice President of Information Department of Yuanta Bank Information Manager of Taipei FuBon Bank Department of Economics, National Chung Hsing University	Chief Information Officer of Yuanta Financial Holdings and Senior Vice President of Yuanta Bank	None	None	None

Title	Nationality and Registry	Name	Date elected	Term	Date first elected	Shareholding as of elected date		Current shareholding		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current duties in The Company and in other companies	Spouse or relatives of second degree or closer acting as Directors, Supervisors, or other department heads		
						Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Director representative	Republic of China	Yuanta Financial Holding Co., Ltd. Representative: Kuo, Yu-Hong (Note 4)	2015.07.16	2 years and 10 months	2011.10.17	30,649	0.01%	30,649	0.01%	10,064	0.00%	0	0	The Executive Vice President of Yuanta Futures Co., Ltd. Department of Law, Fu Jen Catholic University	Executive Vice President of the Company; Director, Yuanta Futures (HK) Co., Limited; Chairman, SYF Information Co., Ltd.; Director, SYF Information (SAMOA) Limited; Chairman, SYF Information (Shanghai) Limited	None	None	None
Independent Director	Republic of China	Mr. Lai, Kun-Hung	2015.05.21	3 years	2012.05.23	0	0	0	0	0	0	0	0	The Vice President of the Motor Vehicle Accident Compensation Fund Executive Secretary, Financial Supervisory Commission. Section Officer, Section Manager, and Deputy Team Manager, Securities and Futures Bureau, Financial Supervisory Commission. MBA, National Taipei University	Dependent directors of Yuanta Securities Co., Ltd.; Supervisor of TSH Biopharm Corporation Limited; the independent director of Excellence Optoelectrics. Inc. and the supervisor of Medicalead Co., Ltd. (Discharged on March 8, 2016)	None	None	None
Independent Director	Republic of China	Mr. Huang, Jung-Hsien	2015.05.21	3 years	2012.05.23	0	0	0	0	0	0	0	0	Independent Director, Yuanta Securities Co., Ltd.; The chairman of Central Trust of China. The Counselor of Ministry of Finance. Department of Public Finance, National Chengchi University;	Independent Director, Yuanta Commercial Bank	None	None	None
Independent Director	Republic of China	Mr. Kuo, Tu-Mu	2015.05.21	3 years	2015.05.21	0	0	0	0	0	0	0	0	Independent Director, FX Hotels Group Independent Director, First Securities Inc. Academic Vice Dean of Law School and Head of Finance & Law Department, Fu Jen Catholic University Director of Legal Affairs, Financial Supervisory Commission of Executive Yuan Director of Legal Affairs, Securities and Futures Commission, Ministry of Finance Doctor of Laws, National Chengchi University	Supervisor of Broadcasting Corporation of China, independent directors of Yuanta Life Insurance Company, supervisor of Chi-Hong Joint Venture Company, independent directors of Cayman FX Hotels Group, and director of CHO Pharma, Inc.	None	None	None

Note 1: The Company had the 9th directors elected entirely on May 21, 2015 for tenure from May 21, 2015 to May 20, 2018.

Note 2: The initial day of elected office of individual directors or representatives shall be initial day of office.

Note 3: As of February 29, 2016, the Company had 232,276,288 shares in circulation.

Note 4: Yuanta Financial Holdings had Ms. Chen, Hsiu-Mei and Mr. Kuo, Yu-Hong delegated as the representative on July 16, 2015 for the period of July 16, 2015 ~ May 20, 2018. The former representative, Ms. Sung, Hsiao-Chin and Mr. Wang, Chun-Chie, were discharged on July 16, 2015.

Table 1: Corporate shareholders' main shareholders

Date of information: September 14, 2015

Name of corporate shareholder	Corporate shareholders' main shareholders	
Yuanta Financial Holding Co., Ltd.	Chun Chueh Investment Co., Ltd.	3.77%
	Yuan Hung Investment Co., Ltd.	3.29%
	Yuan Hsiang Investment Co., Ltd.	2.77%
	Yu Yang Investment Co., Ltd.	2.71%
	The investment account entrusted by Mega International Commercial Bank for Mega Securities (Hong Kong) Co., Ltd.	2.69%
	Bank of Taiwan	2.27%
	Lian Ta Investment Co., Ltd.	2.22%
	Singapore Government Investment Account in the custody of Citibank (Taiwan)	2.13%
	Trust account entrusted with Yuanta Bank	1.67%
	Vanguard Emerging Markets Stock Index Fund account in the custody of Standard Chartered Bank	1.64%

Note: The top 10 shareholders were based on the information as of the last date Yuanta Financial Holdings Co., Ltd. cut off the transfer of shares (September 14, 2015)

Table 2: Major shareholders of major corporate shareholders listed in Table 1

Date of information: February 29, 2016

Name of corporate shareholder	Corporate shareholders' main shareholders	
Chun Chueh Investment Co., Ltd.	Teng Ta Investment Co., Ltd.	19.69%
	Lian Ta Investment Co., Ltd.	19.84%
	Chiu Ta Investment Co., Ltd.	18.36%
	Lian Heng Investment Co., Ltd.	18.92%
	Hsing Tsai Investment Co., Ltd.	10.23%
	Ma Wei-Chien	8.27%
	Tu Lee-Chuang	4.69%
Yuan Hung Investment Co., Ltd.	Mei Chia Lee Investment Co., Ltd.	45.88%
	Lian Heng Investment Co., Ltd.	33.74%
	Teng Ta Investment Co., Ltd.	15.38%
	Tu Lee-Chuang	5.00%
Yuan Hsiang Investment Co., Ltd.	Lian Ta Investment Co., Ltd.	44.38%
	Lian Heng Investment Co., Ltd.	19.00%
	Teng Ta Investment Co., Ltd.	18.69%
	Chiu Ta Investment Co., Ltd.	9.96%
	Tu Lee-Chuang	5.01%
	Hsing Tsai Investment Co., Ltd.	2.96%

Name of corporate shareholder	Corporate shareholders' main shareholders	
Yu Yang Investment Co., Ltd.	Chun Chueh Investment Co., Ltd.	100%
The investment account entrusted by Mega International Commercial Bank for Mega Securities (Hong Kong) Co., Ltd.	Not applicable	
Bank of Taiwan	Taiwan Financial Holdings	100%
Lian Ta Investment Co., Ltd.	Chiao Hua International Investment Co., Ltd.	45.79%
	Lian Heng Investment Co., Ltd.	37.14%
	Chiu Ta Investment Co., Ltd.	14.02%
	Hsing Tsai Investment Co., Ltd.	2.58%
	Tu Lee-Chuang	0.47%
Singapore Government Investment Account in the custody of Citibank (Taiwan)	Not applicable	
Trust account entrusted with Yuanta Bank	Not applicable	
Vanguard Emerging Markets Stock Index Fund account in the custody of Standard Chartered Bank	Not applicable	

3. The professional knowledge and independence of the directors

Date of information: February 29, 2016

Name	Qualification	Having more than 5 years work experience and professional qualifications listed below			Compliance of independence (Note 2)										Number of positions as an Independent Director in other public listed companies
		Lecturer (or above) of commerce, law, finance, accounting, or any subjects relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holders of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experiences required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10	
The 8 th and 9 th directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu			✓				✓	✓		✓	✓	✓	✓		0
The 8 th and 9 th directors Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chou, Hsiao-Ling			✓				✓	✓		✓	✓	✓	✓		0
The 8 th and 9 th directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Ho, Ming-Hong			✓				✓	✓		✓	✓	✓	✓		0
The 8 th and 9 th directors Yuanta Financial Holdings Co., Ltd. Representative: Ms. Sung, Shiao-Chin			✓			✓	✓	✓		✓	✓	✓	✓		0
The 8 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Chen, Hsiu-Wei			✓			✓	✓	✓		✓	✓	✓	✓		0
The 8 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Yu, Yao-Tin			✓				✓	✓		✓	✓	✓	✓		0
The 9 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Kung, Shao-Hsing			✓			✓	✓	✓		✓	✓	✓	✓		0
The 9 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Mr. Wang, Chun-Chien			✓			✓	✓	✓		✓	✓	✓	✓		0
The 9 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chen, Hsiu-Mei			✓			✓	✓	✓		✓	✓	✓	✓		0
The 9 th Board of Directors Yuanta Financial Holdings Co., Ltd. Representative: Kuo, Yu-Hong			✓				✓	✓		✓	✓	✓	✓		0

Name	Qualification	Having more than 5 years work experience and professional qualifications listed below			Compliance of independence (Note 2)										Number of positions as an Independent Director in other public listed companies
		Lecturer (or above) of commerce, law, finance, accounting, or any subjects relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holders of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experiences required to perform the assigned duties	1	2	3	4	5	6	7	8	9	10	
The 8 th and 9 th directors Mr. Lai, Kun-Hung		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2
The 8 th and 9 th directors Mr. Huang, Jung-Hsien			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	1
The 8 th Board of Directors Mr. Yeh, Shao-Wee			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
The 9 th Board of Directors Mr. Kuo, Tu-Mu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	2

Note 1: Place a "✓" in the box below if the Director met the following conditions during the time of active duty and two years prior to the elected date.

- (1) Not employed by the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or its affiliated companies (not applicable if the position is an independent director of the Company, its parent company, or subsidiaries to which the Company holds more than 50% direct or indirect voting interest).
- (3) Does not hold more than 1% of the Company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the Company.
- (4) Not a spouse, relative of second degree, or direct kin of fifth degree or closer to persons described in criteria 1~3.
- (5) Not a director, supervisor, or employee of the Company's corporate shareholder holding more than 5% of the Company's outstanding capital; nor a director, supervisor, or employee to any of the top 5 corporate shareholders.
- (6) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has financial or business relationship with the Company.
- (7) Not a professional, business owner, partner, director, supervisor, or manager of any sole-proprietorship, partnership, company, or institution providing commercial, legal, financial, or accounting services or consultations to the Company or any of its affiliated companies; nor a spouse to anyone listed herein. Except the members of the Remuneration Committee performing their duties pursuant to Article 7 of the Regulation Governing the Establishment of Remuneration Committee and the Performance of Authority of Companies trading their stocks in TWSE/GTSM.
- (8) Not a spouse or relative of second degree or closer to any other directors.
- (9) Does not meet any descriptions stated in Article 30 of The Company Act.
- (10) Not elected as a government or corporate representative according to Article 27 of The Company Act.

(II) Background information of the General Manager, Vice Presidents, Assistant Vice Presidents and heads of various departments and branches

Date of information: February 29, 2016

Title	Nationality	Name	Date on board	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as managers		
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
General Manager	Republic of China	Ms. Chou, Hsiao-Ling	2014/04/01	144	0.00%	0	0	0	0	Vice Chairman, Yuanta Futures Co., Ltd. Master's, Banking and Finance, National Taiwan University	The Board Director of Yuanta Futures (Hong Kong) Limited, the Board Director of SYF Information Co., Ltd., the Board Director of SYF Information (SAMOA) Limited, the Board Director of SYF Information (Shanghai) Limited, the Board Director of Taiwan Futures Exchange, the supervisor of UHT Unitech Co., Ltd. , and the Board Director of Yuanta Foundation	None	None	None
Executive Vice President	Republic of China	Mr. Kuo, Yu-Hong	2013/05/01	30,649	0.01%	10,064	0.00%	0	0	The Executive Vice President of Yuanta Futures Co., Ltd. Department of Law, Fu Jen Catholic University	Director, Yuanta Futures (HK) Co., Limited; Chairman, SYF Information Co., Ltd.; Director, SYF Information (SAMOA) Limited; Chairman, SYF Information (Shanghai) Limited	None	None	None
Domestic institutional business Senior vice president	Republic of China	Ms. Tsai, Chia-Ling	2005/01/03	0	0	0	0	0	0	Vice President, Institution Dept, Polaris Futures Co., Ltd. MBA, National Chiao Tung University	None	None	None	None
Brokerage business Senior vice president	Republic of China	Mr. Hsu, Kuo-Chun	2008/12/02	1,000	0.00%	0	0	0	0	Vice President, Brokerage Business Division, Polaris Futures Co., Ltd. Department of Economics, National Taiwan University	None	None	None	None

Title	Nationality	Name	Date on board	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as managers		
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Proprietary trading business Senior vice president	Republic of China	Mr. Lai, Sheng-Tang	2012/08/01	69	0.00%	0	0	0	0	President, Man Futures Trust Co., Ltd. MBA, University of Washington, USA	None	None	None	None
Accounting Department Vice President	Republic of China	Yu-Cheng Chou	2010/06/21	0	0	0	0	0	0	Vice President, Treasury Dept, Polaris Futures Co., Ltd. Master of Accounting, Alabama State University	Chief accountant of SYF Information Co., Ltd., independent director of Central Reinsurance Corporation, and liquidator of MF G Investment Consulting Co., Ltd.	None	None	None
Network Business Department Vice President	Republic of China	Mr. Kao, Yi-Jui	2014/09/01	0	0	0	0	0	0	Junior VP of Yuanta Securities Co., Ltd. - Tucheng Branch Department of Agricultural Economics, National Taiwan University	None	None	None	None
Auditing Department Senior Assistant Vice Presidents	Republic of China	Wen-Fang Wu	2012/04/01	0	0	0	0	0	0	Asst VP, Auditing Office, Yuanta Futures MBA, National Chiayi University	None	None	None	None
Domestic Institutions Department Senior Assistant Vice Presidents	Republic of China	Ching-Yee Chang	2012/04/01	0	0	0	0	0	0	Asst VP, Institution Dept, Yuanta Futures Dept of Business Administration, Shih Chien University	None	None	None	None
Compliance Department Senior Assistant Vice Presidents	Republic of China	Lee-Ling Chien	2012/05/01	0	0	0	0	0	0	Senior Asst VP, Legal Affairs & Compliance Dept, Yuanta Polaris Securities Dept of Laws, Soochow University	None	None	None	None
IT Department Senior Assistant Vice Presidents	Republic of China	Li, Min-Lung	2013/08/01	0	0	0	0	0	0	Professional Manager, IT Department, Yuanta Futures Co., Ltd., Masters of Information Management, Lunghwa University of Science and Technology	The Director of SYF Information Co., Ltd., the Director of SYF Information (Shanghai) Limited	None	None	None

Title	Nationality	Name	Date on board	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as managers		
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
General Planning Department Senior Assistant Vice Presidents	Republic of China	Chen, Yan Ling	2015/04/01	0	0	0	0	0	0	Investment Consulting CEO of Southern All Stars Master, Banking and Finance, National Central University	None	None	None	None
Risk Management Department: Assistant Manager	Republic of China	Cheng-Kang Wu	2012/04/01	0	0	0	0	0	0	Asst VP, Risk Management Office, Yuanta Futures Master, Banking and Finance, National Taiwan University	None	None	None	None
Financial Department Assistant Manager	Republic of China	Liang-Huei Yuan	2012/04/01	0	0	0	0	0	0	Senior Manger, Finance and Accounting Department, Yuanta Futures Master, Banking and Finance, National Taipei University	None	None	None	None
Offshore Institutions Department Assistant Manager	Republic of China	Chang, Chun-Hao	2014/09/01	0	0	0	0	0	0	Senior Deputy Manager, Institution Dept., Yuanta Futures Department of Economics, University of Washington, USA	Director, Yuanta Futures (HK) Co., Limited	None	None	None
Clearing Department Senior Managers	Republic of China	Mo-Ju Song	2005/01/03	42,200	0.02%	0	0	0	0	Manager, Clearing Dept, Polaris Futures Co., Ltd. Department of Accounting, Hsingwu College	None	None	None	None
Business Department Senior Managers	Republic of China	Sheng-Wei Wu	2009/08/01	0	0	0	0	0	0	Manager of Business Dept, Hsinchu Branch, Polaris Futures Co., Ltd. Department of Agricultural Marketing, National Chung Hsing University	None	None	None	None
Management Department Senior Managers	Republic of China	Chung Hsiu-Ling	2012/04/01	0	0	0	0	0	0	Manager, Management Dept., Yuanta Futures MBA, National Chiayi University	None	None	None	None

Title	Nationality	Name	Date on board	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as managers		
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Research Department Senior Managers	Republic of China	Chen, Yu-Hong	2012/04/01	0	0	0	0	0	0	Deputy Manager of Research and Development Department, Yuanta Futures Co., Ltd. Master, Banking and Finance, National Central University	None	None	None	None
Futures Consulting Department Senior Managers	Republic of China	Chang Lin-Chung	2015/06/01	0	0	0	0	0	0	Network Manager of Yuanta Futures Dept of Business Administration, National Chung Hsing University.	None	None	None	None
Customer Service / Trading Department Managers,	Republic of China	Mr. Hu, Chia-Hui	2014/03/01	20,042	0.01%	0	0	0	0	Deputy Manager, Customer Service and Dealing Dept, Polaris Futures Co., Ltd. Shih Hsin High School of Industry and Commerce – Department of General Business	None	None	None	None
Futures Management Department Managers,	Republic of China	Lin, Hsuan-Hsiang	2014/03/06	0	0	0	0	0	0	Manager, Clearing Dept, Polaris Futures Co., Ltd. Department of Accounting, Shih Chien University	None	None	None	None
Hsinchu Branch Manager	Republic of China	Chen, Tsung Hsiang	2015/07/01	0	0	0	0	0	0	Deputy Manager of Yuanta Futures Co., Ltd., Hsinchu Branch Department of Ethnology, National Chengchi University	None	None	None	None
Taichung Branch Manager	Republic of China	Liu, Feng An	2015/12/01	0	0	0	0	0	0	Deputy Manager of Yuanta Securities Co., Ltd. Danshui Branch Dept. of International Business and Trade, National Tamkang University	None	None	None	None
Tainan Branch Manager	Republic of China	Shi-Qing Wang	2003/03/10	492	0.00%	0	0	0	0	Manager of Business Dept, Tainan Branch, Polaris Futures Co., Ltd. MBA, ational Cheng Kung University	None	None	None	None

Title	Nationality	Name	Date on board	Shares held		Shareholdings of spouse and underage children		Shares held in the names of others		Major career (academic) achievements	Current positions in the Company and other companies	Spouse or relatives of second degree or closer acting as managers		
				Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage			Title	Name	Relationship
Kaohsiung Branch Manager	Republic of China	Wang, Guo-Liang	2015/09/01	0	0	0	0	0	0	Deputy Manager of Yuanta Securities Co., Ltd. Yiwen Branch Master, Banking and Finance, National Central University	None	None	None	None

Note: As of February 29, 2016, the Company had 232,276,288 shares in circulation.

III. Remuneration paid to Directors, the General Manager, and the Vice President in the most recent year

(I) Directors, General Manager's and Vice Presidents' remuneration

1. Directors' remuneration (including Independent Directors)

Unit: NT\$ thousand

Title	Name (Note 1)	Directors' remuneration								Remuneration as an employee										NT\$ thousand The sum of A, B, C, D, E, F and G as a percentage of after-tax net profit (Note 11)		Remuneration from invested businesses other than the subsidiaries (Note 12)						
		Remuneration (A) (Note 2)		Pension (B)		Remuneration to directors (C) (Note 3)		Fees for services rendered (D) (Note 4)		The sum of A, B, C and D as a percentage of after-tax profit (Note 11)		Salaries, bonuses, special allowances etc (E) (Note 5)		Pension (F)		Remuneration to employees (G) (Note 6)				Total shares exercisable under employee stock warrants (H) (Note 7)			Quantity of shares acquired through restricted employee stock option (I) (Note 13)					
		The Company	All companies shown in the financial report (note 8)	The Company	All companies shown in the financial report (note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies shown in the financial report (note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies contained in the financial report (Note 8)	The Company	All companies contained in the financial report (Note 8)		The Company	All companies contained in the financial report (Note 8)				
		Cash amount	Stock amount	Cash amount	Stock amount																							
Chairman	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu																											
The 8 th and 9 th Director and the President	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chou, Hsiao-Ling																											
The 8 th and 9 th Board of Directors	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Ho, Ming-Hong																											
The 8 th and 9 th Board of Directors	Yuanta Financial Holding Co., Ltd. Representative: Ms. Sung, Shiao-Chin (Note 14)	18,002	18,002	0	0	0	0	1,744	1,744	2.54%	2.54%	11,000	11,000	0	0	8	0	8	0	0	0	0	0	0	0	3.96%	3.96%	None
The 8 th Board of Directors	Yuanta Financial Holding Co., Ltd. Representative: Mr. Yu, Yao-Tin																											
The 8 th Board of Directors	Yuanta Financial Holding Co., Ltd. Representative: Mr. Chen, Hsiu-Wei																											

The 9 th Board of Directors	Yuanta Financial Holding Co., Ltd. Representative: Mr. Kung, Shao-Hsing																								
The 9 th Board of Directors	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Wang, Chun-Chien (Note 14)																								
The 9 th Board of Directors	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chen, Hsiu-Mei (Note 14)																								
The 9 th Board of Directors	Yuanta Financial Holdings Co., Ltd. Representative: Kuo, Yu-Hong (Note 14)																								
The 8 th and 9 th Independent Director	Mr. Huang, Jung-Hsien																								
The 8 th and 9 th Independent Director	Mr. Lai, Kun-Hung																								
The 8 th Independent Director	Mr. Yeh, Shao-Wee																								
The 9 th Independent Director	Mr. Kuo, Tu-Mu																								

2. Table of remuneration brackets of Directors (including Independent Directors)

Remunerations to individual directors in respective brackets along the salaries scale	Name of director			
	The total of the aforementioned 4 items (A+B+C+D)		The total of the aforementioned 7 items (A+B+C+D+E+F+G)	
	The Company (Note 9)	All companies shown in the financial report (note 10) I	The Company (Note 9)	All companies shown in the financial report (note 10) J
<NT\$2,000,000	Mr. Ho, Ming-Hong; Ms. Chou, Hsiao-Ling; Kuo, Yu-Hong; Mr. Kung, Shao-Hsing; Mr. Chen, Hsiu-Wei; Mr. Yu, Yao-Tin; Mr. Wang, Chun-Chien; Ms. Chen, Hsiu-Mei; Ms. Sung, Shiao-Chin; Mr. Yeh, Shao-Wee; Mr. Kuo, Tu-Mu; Mr. Lai, Kun-Hungi; Mr. Huang, Jung-Hsien	Mr. Ho, Ming-Hong; Ms. Chou, Hsiao-Ling; Kuo, Yu-Hong; Mr. Kung, Shao-Hsing; Mr. Chen, Hsiu-Wei; Mr. Yu, Yao-Tin; Mr. Wang, Chun-Chien; Ms. Chen, Hsiu-Mei; Ms. Sung, Shiao-Chin; Mr. Yeh, Shao-Wee; Mr. Kuo, Tu-Mu; Mr. Lai, Kun-Hungi; Mr. Huang, Jung-Hsien	Mr. Ho, Ming-Hong; Kuo, Yu-Hong; Mr. Kung, Shao-Hsing; Mr. Chen, Hsiu-Wei; Mr. Yu, Yao-Tin; Mr. Wang, Chun-Chien; Ms. Chen, Hsiu-Mei; Ms. Sung, Shiao-Chin; Mr. Yeh, Shao-Wee; Mr. Kuo, Tu-Mu; Mr. Lai, Kun-Hungi; Mr. Huang, Jung-Hsien	Mr. Ho, Ming-Hong; Kuo, Yu-Hong; Mr. Kung, Shao-Hsing; Mr. Chen, Hsiu-Wei; Mr. Yu, Yao-Tin; Mr. Wang, Chun-Chien; Ms. Chen, Hsiu-Mei; Ms. Sung, Shiao-Chin; Mr. Yeh, Shao-Wee; Mr. Kuo, Tu-Mu; Mr. Lai, Kun-Hungi; Mr. Huang, Jung-Hsien
NT\$2,000,000 ~ NT\$5,000,000 (exclusive)				
NT\$5,000,000 ~ NT\$10,000,000 (exclusive)				
NT\$10,000,000 ~ NT\$15,000,000 (exclusive)	Mr. Lin, Tien-Fu	Mr. Lin, Tien-Fu	Mr. Lin, Tien-Fu Ms. Chou, Hsiao-Ling	Mr. Lin, Tien-Fu Ms. Chou, Hsiao-Ling
NT\$15,000,000 ~ NT\$30,000,000 (exclusive)				
NT\$30,000,000 ~ NT\$50,000,000 (exclusive)				
NT\$50,000,000 ~ NT\$100,000,000 (exclusive)				
> NT\$100,000,000				
Total	14 persons	14 persons	14 persons	14 persons

Note 1: Directors' names should be presented separately (for corporate shareholders, state separately the name of the corporate shareholder and its representatives); the amount of benefits and allowances can be presented in aggregate sums.

- Note 2: Refers to Director's remuneration in the latest year (including salaries, work subsidies, severance pay, various bonuses and incentives etc).
- Note 3: Please fill in the amount of remuneration to directors resolved in the most recent board meeting.
- Note 4: Refers to compensations for services rendered (including travel, special allowances, various subsidies, accommodation, corporate vehicle and other items). If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these driver, but do not count them as part of the beneficiaries' remuneration.
- Note 5: Remunerations received by directors who have also worked in the capacity as employees (including the position of President, Vice President, managers, and employees), including, salaries, subsidies, severance pay, bonus, awards, traveling subsidy, special subsidy, different forms of subsidies, accommodation, company car, and other supplies in kind. If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration. Two motor vehicles at the cost of NT\$4,053 thousand. Two drivers with total remuneration of NT\$1,737 thousand.
- Note 6: For the directors who are also employees (including President, Vice President, managers, and staff) of the Company in the most recent year with remuneration received (including stock and cash), the remuneration amount to employees resolved in the board meeting in the most recent year should be disclosed. If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out.
- Note 7: It refers to the amount of exercisable shares vested in employees' warrants, which the Director has received up until the publishing date of this annual report (excluding those that were exercised), for taking the role of a company employee (such as General Manager, Vice President, other managers and employees).
- Note 8: The disclosure should cover all companies included in the consolidated financial statements (including the Company); present the total amount of remuneration paid by all companies above to The Company's Directors.
- Note 9: The amount of remuneration made by the Company to each Director is disclosed separately in amount ranges.
- Note 10: The total amount of remunerations to each director of the Company under the consolidated financial statement (including the Company) shall be disclosed with the disclosure of the names of the directors falling in relevant brackets.
- Note 11: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.
- Note 12: a. This field must state any form of remuneration the Director has received from the Company's invested businesses other than subsidiaries.
b. For Directors who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column J of the Remuneration brackets table. Change the name of column J to "All invested businesses".
c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc which the Company's Directors have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.
- Note 13: Directors who have also acted as employees to the date these reports was printed (in the capacity of the President, Vice President, other managers, and employees) and the quantity of new shares from restricted employee stock options acquired.
- Note 14: Yuanta Financial Holdings had Ms. Chen, Hsiu-Mei and Mr. Kuo, Yu-Hong delegated as the representative on July 16, 2015 for the period of July 16, 2015 ~ May 20, 2018. The former representative, Ms. Sung, Hsiao-Chin and Mr. Wang, Chun-Chie, were discharged on July 16, 2015.
- * The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

3. Remuneration to the General Manager and Vice President

Unit: NT\$ thousand

Title	Name	Salary (A) (Note 2)		Pension (B)		Bonuses and allowances etc (C) (Note 3)		Remuneration to employees (D) (Note 4)				The sum of A, B, C and D as a percentage of after-tax profit (%) (Note 9)		Employee stock warrants received (Note 5)		Quantity of shares acquired through restricted employee stock option (I) (Note 11)		Remuneration from invested businesses other than the subsidiaries (Note 10)
		The Company	All companies contained in the financial report (Note 6)	The Company	All companies contained in the financial report (Note 6)	The Company	All companies contained in the financial report (Note 6)	The Company		All companies shown in the financial report (note 6)		The Company	All companies shown in the financial report (note 6)	The Company	All companies shown in the financial report (note 6)	The Company	All companies contained in the financial report (Note 6)	
								Cash amount	Stock amount	Cash amount	Stock amount							
General Manager	Ms. Chou, Hsiao-Ling	14,451	14,451	0	0	31,166	31,166	86	0	86	0	5.88%	5.88%	0	0	0	0	None
Executive Vice President	Mr. Kuo, Yu-Hong																	
Senior Vice Presidents	Mr. Lai, Sheng-Tang																	
Senior Vice Presidents	Mr. Hsu, Kuo-Chun																	
Senior Vice Presidents	Ms. Tsai, Chia-Ling																	
Senior Vice Presidents	Ms. Li, Jing-Ru																	
Vice President	Mr. Kao, Yi-Jui																	
Vice President	Yu-Cheng Chou																	

4. Table of remunerations brackets to the General Manager and Vice President

The brackets of remunerations to all Presidents and Vice Presidents of the Company	Names of the Presidents and the Vice Presidents	
	The Company (Note 7)	All companies shown in the financial report (note 8) E
<NT\$2,000,000		
NT\$2,000,000 ~ NT\$5,000,000 (exclusive)	Mr. Lai, Sheng-Tang; Mr. Kao, Yi-Jui; Yu-Cheng Chou	Mr. Lai, Sheng-Tang; Mr. Kao, Yi-Jui; Yu-Cheng Chou
NT\$5,000,000 ~ NT\$10,000,000 (exclusive)	Mr. Kuo, Yu-Hong; Mr. Hsu, Kuo-Chun; Ms. Tsai, Chia-Ling; Ms. Li, Jing-Ru	Mr. Kuo, Yu-Hong; Mr. Hsu, Kuo-Chun; Ms. Tsai, Chia-Ling; Ms. Li, Jing-Ru
NT\$10,000,000 ~ NT\$15,000,000 (exclusive)	Ms. Chou, Hsiao-Ling	Ms. Chou, Hsiao-Ling
NT\$15,000,000 ~ NT\$30,000,000 (exclusive)		
NT\$30,000,000 ~ NT\$50,000,000 (exclusive)		
NT\$50,000,000 ~ NT\$100,000,000 (exclusive)		
> NT\$100,000,000		
Total	8 persons	8 persons

Note 1: The names of the General Manager and Vice Presidents should be presented separately; the amount of benefits and allowances can be presented in aggregate sums. Any Directors who co-headed the General Manager or Vice President positions must be disclosed in this table as well as the previous.

Note 2: Refers to salaries, work subsidies, pension, and severance pay made to the General manager and Vice Presidents in the latest year.

Note 3: Refers to other compensations such as bonuses, incentives, travel allowances, special allowances, various subsidies, accommodation, corporate vehicle or other items made to the General Manager and Vice Presidents. If houses, cars or other vehicles, or personal allowances were granted, please describe the nature and cost of assets, their rental rates calculated based on actual or fair value, and details on petrol and other subsidies. If personal drivers were allocated, please make a footnote disclosure of the salaries made to these drivers, but do not count them as part of the beneficiaries' remuneration. Two motor vehicles at the cost of NT\$4,020 thousand. One driver with total remuneration of NT\$945 thousand.

Note 4: Please fill in the remuneration amount to the President and Vice President resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year; also, Attachment 1.3 should be filled out. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 5: It refers to the amount of exercisable shares vested in employees' warrants, which the General Manager/Vice Presidents have received up until the publishing date of this annual report (excluding those that were exercised).

Note 6: The disclosure should cover all companies included in the consolidated financial statements (including the Company); present the total amount of remuneration paid by all companies above to The Company's General Manager/Vice Presidents.

Note 7: The amount of remuneration made by the Company to its General Manager/Vice Presidents is disclosed separately in amount ranges.

Note 8: The total remunerations to each President and Vice President of all companies in the consolidated financial statements (including the Company), and disclose the names of these Presidents and Vice Presidents in relevant brackets along the scale of remunerations.

Note 9: Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 10: a. This field must state any form of remuneration the General Manager and Vice President have received from The Company's invested businesses other than subsidiaries.

b. For General Manager/Vice Presidents who receive remuneration from invested businesses other than subsidiaries, the amount of remuneration from these invested businesses should be added to column E of the Remuneration brackets table. Change the name of column E to "All invested businesses".

c. Remuneration refers to any returns, compensation (including remuneration to Employees, Directors and Supervisors), professional fees etc., which the Company's General Manager/Vice Presidents have received for serving as directors, supervisors, or managers in invested businesses other than subsidiaries.

Note 11: Directors who have also acted as employees to the date these reports was printed (in the capacity of the President, Vice President, other managers, and employees) and the quantity of new shares from restricted employee stock options acquired.

* The basis of remuneration disclosed above is different to the basis required by the income tax law; hence the above table has been prepared solely for information disclosure, and not for tax purposes.

5. Name of the managers received remuneration and the distribution of remuneration

Distribution base line date: August 20, 2015

	Title (Note 1)	Name (Note 1)	Stock amount	Cash amount	Total	As a percentage of net profit after tax (%)
Manager	General Manager	Ms. Chou, Hsiao-Ling	0	254 thousand dollars	254 thousand dollars	0.03%
	Executive Vice President	Mr. Kuo, Yu-Hong				
	Senior vice president, Domestic Institution Division	Ms. Tsai, Chia-Ling				
	Senior vice president, Brokerage Business Division	Mr. Hsu, Kuo-Chun				
	Senior Vice President, Proprietary Trade Dept.	Mr. Lai, Sheng-Tang				
	Vice President, Accounting Dept.	Yu-Cheng Chou				
	Vice President of the Network Business Department	Mr. Kao, Yi-Jui				
	Senior Asst VP, Auditing Department	Wen-Fang Wu				
	Senior Asst VP, Domestic Institution Dept.	Ching-Yee Chang				
	Senior Asst VP, Compliance Dept,	Lee-Ling Chien				
	Senior Asst VP, IT Department	Li, Min-Lung				
	Asst VP, Risk Management Dept	Cheng-Kang Wu				
	Assistant Manager, Financial Department	Liang-Huei Yuan				
	Junior V.P. of the Overseas Institutional Business Department	Chang, Chun-Hao				
	Senior Manager, Clearing Department	Mo-Ju Song				
	Senior Manager, Business Department	Sheng-Wei Wu				
	Senior Manager, Management Department	Chung Hsiu-Ling				
	Senior Manager, Research Department.	Chen, Yu-Hong				
	Senior Manager, Consulting Department	Chang Lin-Chung				
	Customer Service / Trading Department Manager	Mr. Hu, Chia-Hui				
Manager of Futures Management Division	Lin, Hsuan-Hsiang					
Hsinchu Branch Manager	Chen, Tsung Hsiang					
Tainan Branch Manager	Shi-Qing Wang					

Note 1: The name and job title of each individual should be disclosed; however, the distribution of earnings can be disclosed aggregately.

Note 2: Please fill in the remuneration amount to the managers resolved in the board meeting in the most recent year (including stock and cash). If the remuneration amount cannot

be estimated, the amount to be distributed this year is to be estimated proportionally to the actual amount distributed last year. Corporate earnings shall be the net income after taxation. If IFRS has already been adopted, corporate earnings shall be the net income after taxation of individual entities or individual financial statements.

Note 3: According to Notice Tai-Tsai-Cheng-3-0920001301 dated March 27, 2003, the following managerial roles are subject to reporting:

(1) President and the equals (2) Vice President and the equals (3) Junior V.P. and the equals (4) Director of the Finance Department (5) Director of the Accounting Department (6) Others who are responsible for business management and authorized to sign document on behalf of the Company.

Note 4: If the Directors, President, and Vice President have received remuneration (including stock and cash), in addition to filling out Attachment 1.2, this form must be filled out too.

6. The name, job title, and remuneration amount received of the Top-Ten managers in 2014

Distribution base line date: August 20, 2015

	Title	Name	Stock amount	Cash amount	Total	As a percentage of net profit after tax (%)
Top-10 employment remuneration receivers	Executive Vice President	Mr. Kuo, Yu-Hong	0	232 thousand dollars	232 thousand dollars	0.03%
	Senior vice president, Domestic Institution Division	Ms. Tsai, Chia-Ling				
	Senior vice president, Brokerage Business Division	Mr. Hsu, Kuo-Chun				
	Senior Vice President, Proprietary Trade Dept.	Mr. Lai, Sheng-Tang				
	Vice President, Accounting Dept.	Yu-Cheng Chou				
	Senior Asst VP, Auditing Department	Wen-Fang Wu				
	Senior Asst VP, Domestic Institution Dept.	Ching-Yee Chang				
	Senior Asst VP, Compliance Dept.	Lee-Ling Chien				
	Senior Asst VP, IT Department	Li, Min-Lung				
	Asst VP, Risk Management Dept	Cheng-Kang Wu				
	Assistant Manager, Financial Department	Liang-Huei Yuan				
	Junior V.P. of the Overseas Institutional Business Department	Chang, Chun-Hao				
	Senior Manager, Clearing Department	Mo-Ju Song				
	Senior Manager, Business Department	Sheng-Wei Wu				
	Senior Manager, Management Department	Chung Hsiu-Ling				
	Senior Manager, Research Department.	Chen, Yu-Hong				
	Senior Manager, Consulting Department	Chang Lin-Chung				
	Customer Service / Trading Department Manager	Mr. Hu, Chia-Hui				
Manager of Futures Management Division	Lin, Hsuan-Hsiang					
Tainan Branch Manager	Shi-Qing Wang					

(II) The total remuneration to the directors, presidents, and vice presidents of the Company and the companies in the consolidated financial statements in the last 2 years in proportion to the corporate earnings of individual entities or individual financial statements and the analysis and description of the policy, standard, and combination, decision-making procedure of the remunerations, and the association with operation performance and risks of the future:

1. Analysis and interpretation of the total remunerations of directors, general managers, and vice presidents accounted for the net income on entities' or separate financial statements.

Unit: NT\$ thousand; percentage

Year	After-tax net profit	Directors' remuneration	Directors' remuneration as a percentage of after-tax net profit	General Manager's and Vice Presidents' remuneration	General Manager's and Vice Presidents' remuneration as a percentage of after-tax net profit
2014 (After adjustment)	871,045	30,085	3.45	37,141	4.26
2015	777,093	19,746	2.54	45,703	5.88

2. Policies, standards, packages, and procedures at which remunerations were made, and their association with business performance and risks

The Directors' remuneration policy was created in accordance with the Memorandum of Association. The Board of Directors has resolved to remunerate Independent Directors with monthly pay at fixed amounts; those who attend Board of Directors meetings will also receive travel subsidies. Other forms of remuneration to Directors is provided according to the Memorandum of Association. The Board of Directors is authorized to determine remuneration levels for each Director based on their involvements and contributions to the Company's operations, in reference to peer standards. Travel subsidies can also be made depending on their actual attendances to the Board of Directors meetings. Remuneration to the General Manager and Vice Presidents are determined based on their job responsibilities, the normal level of salary, and annual performance, and are subject to the Board of Directors' approval.

In order to ensure congruency between employees' goals and shareholders' interests while being able to retain quality talents, the Company has adopted a performance-driven approach with regards to its remuneration policies, and sets salary levels that are closely related to the Company's business results and individual performance. We believe that this arrangement is mutually beneficial to individual employees, the Company, and shareholders. Remuneration packages generally comprise of base salary, allowances, and bonuses with additional benefits such as annual leaves, insurance etc., at reasonable costs.

IV. Corporate governance

(I) Functionality of the Board of Directors

The attendance of the directors and independent directors in the 13 meetings (4 meetings held in the 8th term and 9 meetings held in the 9th term) held recently (in 2015):

Title	Name (Note 1)	Actual attendance	Proxy Attendance	Percentage of actual attendance (%) [B/A] (Note 2)	Remarks
Chairman	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Ho, Ming-Hong	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chou, Hsiao-Ling	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Sung, Shiao-Chin	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Chen, Hsiu-Wei	3	1	75.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Yu, Yao-Tin	2	2	50.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th directors was resolved and the election of the new Board was held.
Independent Director	Mr. Lai, Kun-Hung	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Independent Director	Mr. Huang, Jung-Hsien	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Independent Director	Mr. Yeh, Shao-Wee	4	0	100.00%	The 8 th Directors should have attended 4 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Chairman	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu	9	0	100.00%	The 9 th directors were reelected on May 21, 2015 with 9 meetings to be attended to.

Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Ho, Ming-Hong	7	2	78.00%	The 9 th directors were reelected on May 21, 2015 with 9 meetings to be attended to.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chou, Hsiao-Ling	9	0	100.00%	The 9 th directors were reelected on May 21, 2015 with 9 meetings to be attended to.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Kung, Shao-Hsing	7	2	78.00%	The 9 th directors were reelected on May 21, 2015 with 9 meetings to be attended to.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Sung, Shiao-Chin	3	0	100.00%	The 9 th directors were reelected on May 21, 2015. The 9 th directors were reassigned and dismissed on 7.16.2015. Directors should attend 3 meetings throughout the tenure.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Mr. Wang, Chun-Chien	3	0	100.00%	The 9 th directors were reelected on May 21, 2015. The 9 th directors were reassigned and dismissed on 7.16.2015 with 3 meetings to be attended to throughout the tenure.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Ms. Chen, Hsiu-Mei	6	0	100.00%	The 9 th directors were reassigned and took office on 7.16.2015 with 6 meetings to be attended to.
Director	Yuanta Financial Holdings Co., Ltd. Representative: Kuo, Yu-Hong	6	0	100.00%	The 9 th directors were reassigned and took office on 7.16.2015 with 6 meetings to be attended to.
Independent Director	Mr. Lai, Kun-Hung	9	0	100.00%	The 9 th Independent Directors were reelected on May 21, 2015 with 9 meetings to attend.
Independent Director	Mr. Huang, Jung-Hsien	9	0	100.00%	The 9 th Independent Directors were reelected on May 21, 2015 with 9 meetings to attend.
Independent Director	Mr. Kuo, Tu-Mu	9	0	100.00%	The 9 th Independent Directors were reelected and took office on May 21, 2015 with 9 meetings to attend.

Other remarks:

- I. For any items listed under Article 14-3 of the Securities Exchange Act, and other documented opposition or qualified opinions made by Independent Directors against the Board of Directors resolutions, describe the date, session, and details of the resolution, as well as all opinions made by Independent Directors and how the Company has responded to Independent Directors' opinions: none.
- II. With respect to the avoidance of conflicting interest agendas, describe the names of directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:

Board of Directors Meeting Date	Name of director	Agenda	Reasons for avoiding conflicting interests	Voting decision
January 29, 2015	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director, Mr. Yu, Yao-Ting; and	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung,	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin are stakeholders, and

	Director, Mr. Sung, Shiao-Chin	objects.	Shiao-Chin were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director, Mr. Yu, Yao-Ting; and Director, Mr. Sung, Shiao-Chin	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director, Mr. Yu, Yao-Ting; and Director, Mr. Sung, Shiao-Chin	This is regarding the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
February 26, 2015	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director, Mr. Yu, Yao-Ting; and Director, Mr. Sung, Shiao-Chin	It is regarding the lease renewal of the office space at the headquarters.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; Director Yu, Yao-Ting and Director Ms. Sung, Shiao-Chin are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.

March 25, 2015	<p>Director Mr. Lin, Tien-Fu; Director, Ms. Chou, Hsiao-Ling; Director, Mr. Ho, Ming-Heng; Director, Mr. Sung, Shiao-Chin; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Huang, Jung-Hsien</p>	<p>The list of the candidates for the 9th directors (including independent directors) election is prepared for review in accordance with the Company's Articles of Association.</p>	<p>Mr. Lin, Tien-Fu (Director); Ms. Chou, Hsiao-Ling (Director); Mr. Ho, Ming-Hong (Director); Ms. Sung, Shiao-Chin (Director); Mr. Lai, Kun-Hung (Independent Director); Mr. Huang, and Jung-Hsien (Independent Director) of the 8th term were nominated as the candidates for the 9th directors election.</p>	<p>Director Mr. Lin, Tien-Fu; Director, Ms. Chou, Hsiao-Ling; Director, Mr. Ho, Ming-Heng; Director, Mr. Sung, Shiao-Chin; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Huang, Jung-Hsien are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.</p>
	<p>Director, Mr. Ho, Ming-Heng; Director, Mr. Sung, Shiao-Chin and Independent Director, Mr. Huang, Jung-Hsien</p>	<p>Relieving new Directors of any restrictions imposed in relation to Article 209 of The Company Act – "Prohibition against directors' involvements in competing businesses".</p>	<p>Mr. Ho, Ming-Hong (Director); Ms. Sung, Shiao-Chin (Director); Mr. Huang, and Jung-Hsien (Independent Director) of the 8th term were nominated as the candidates for the 9th directors election.</p>	<p>Director, Mr. Ho, Ming-Heng; Director, Mr. Sung, Shiao-Chin and Independent Director, Mr. Huang, Jung-Hsien are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.</p>
	<p>Independent Director, Mr. Huang, Jung-Hsien</p>	<p>It is regarding the lease cancellation of Taichung branch office space, relocation, and a new lease.</p>	<p>Independent Director, Mr. Huang, Jung-Hsien was also in charge of the Independent Director of the related company in the case, Yuanta Commercial Bank.</p>	<p>Stakeholder, Independent Director, Mr. Huang, Jung-Hsien, was excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.</p>
	<p>Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng, and Director, Mr. Sung, Shiao-Chin</p>	<p>The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.</p>	<p>Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; and Director Ms. Sung, Shiao-Chin were also in charge of independent director; director (chairman)</p>	<p>Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng, and Director, Mr. Sung, Shiao-Chin are stakeholders, and were excused from the discussion and votes to avoid the conflict of</p>

			or managers of the related company in the case, Yuanta Securities Co., Ltd.	interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng, and Director, Mr. Sung, Shiao-Chin	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng; and Director Ms. Sung, Shiao-Chin were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Huang, Jung-Hsien; Director, Mr. Ho, Ming-Heng, and Director, Mr. Sung, Shiao-Chin are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
April 16, 2015	Director Mr. Lin, Tien-Fu; Director, Mr. Ho, Ming-Heng; Director, Ms. Chou, Hsiao-Ling	The donation to Yuanta Educational and Cultural Foundation amounted to NT\$4.65 million.	Director Mr. Lin, Tien-Fu; Director, Mr. Ho, Ming-Heng; Director, Ms. Chou, Hsiao-Ling are the related party in the case.	Director Mr. Lin, Tien-Fu; Director, Mr. Ho, Ming-Heng; Director, Ms. Chou, Hsiao-Ling are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lai, Kun-Hung	It is regarding the amendment and cancellation of the non-compete clause against the Company's newly elected 9 th independent directors.	Mr. Lai, Kun-Hung (Independent Director) of the 8 th term was nominated as the 9 th Independent Director.	Stakeholder, Independent Director, Mr. Lai, Kun-Hung, was excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
May 21, 2015	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo,	It is regarding the appointment of the Company's 9 th "Remuneration Committee" members.	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo,	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo, Tu-Mu are stakeholders, and were excused from the

	Tu-Mu		Tu-Mu are the related party in the case.	discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
May 29, 2015	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo, Tu-Mu	It is regarding the adjustment of the remuneration to independent directors.	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo, Tu-Mu are the related party in the case.	Independent Director, Mr. Huang, Jung-Hsien; Independent Director, Mr. Lai, Kun-Hung; Independent Director, Mr. Kuo, Tu-Mu are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Director, Mr. Lin, Tien-Fu	It is regarding the review of the remuneration to Chairman.	Director, Mr. Lin, Tien-Fu is the related party in the case.	Stakeholder, Director, Mr. Lin, was excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lai, Kun-Hung; Director, Mr. Ho, Ming-Heng; Director, Ms. Sung, Shiao-Chin, Director, Mr. Kung, Shao-Hsing	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Lai, Kun-Hung, Director, Mr. Ho, Ming-Heng; Director, Ms. Sung, Shiao-Chin and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lai, Kun-Hung, Director, Mr. Ho, Ming-Heng; Director, Ms. Sung, Shiao-Chin and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lai, Kun-Hung; Director, Mr. Ho, Ming-Heng; Director, Ms. Sung,	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by	Independent Director, Mr. Lai, Kun-Hung, Director, Mr. Ho, Ming-Heng; Director, Ms. Sung,	Independent Director, Mr. Lai, Kun-Hung, Director, Mr. Ho, Ming-Heng; Director, Ms. Sung, Shiao-Chin

	Shiao-Chin, Director, Mr. Kung, Shao-Hsing	any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Shiao-Chin and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
June 25, 2015	Director, Ms. Chou, Hsiao-Ling	It is regarding the increase of investment in the subsidiary, SYF Information Co., Ltd., and increasing investment in the invested company through the subsidiary and increasing business scope.	Director, Ms. Chou, Hsiao-Ling was also in charge of the director of the related company in the case, SYF Information Co., Ltd., and SYF Information (Shanghai) Limited	Director, Ms. Chou, Hsiao-Ling, a stakeholder, was excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
July 28, 2015	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
August 25,	Independent	It is regarding the	Independent	Independent Director,

2015	Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	lease of 4F-1 at Datong Building from Yuanta Securities Co., Ltd., the stakeholder.	Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
September 25, 2015	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	Re-signing with the interested party, Yuanta Securities Co., Ltd. on the “Agreement of Mandate to the Futures Trading Supplementary Service” and “Commission Agreement”.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other

			related company in the case, Yuanta Securities Co., Ltd.	directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
October 27, 2015	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	It is regarding the engagement in securities lending transactions with Yuan Securities Co., Ltd., the stakeholder.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director; director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
December 24, 2015	Director Mr. Lin, Tien-Fu; Director, Ms. Chou, Hsiao-Ling; Director, Mr. Kuo, Yu-Hong	It is regarding the stipulation of the Company's "Rules Governing the Distribution of Bonus to the Executives."	Director Mr. Lin, Tien-Fu; Director, Ms. Chou, Hsiao-Ling; Director, Mr. Kuo, Yu-Hong are the related party in the case.	Director Mr. Lin, Tien-Fu; Director, Ms. Chou, Hsiao-Ling; Director, Mr. Kuo, Yu-Hong are stakeholders, and were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Ms. Chou, Hsiao-Ling; Director, Mr. Kuo	It is regarding having the Company's "Rules Governing the Distribution of Bonus to Employees" amended as "Rules Governing the Distribution of Remuneration to Employees" and the amendment of the clauses.	Ms. Chou, Hsiao-Ling; Director, Mr. Kuo are the related party in the case.	Stakeholder, Ms. Chou, Hsiao-Ling; Director, Mr. Kuo, were excused from the discussion and votes to avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; Director, Mr. Kung, Shao-Hsing	It is regarding the changes of the Company's leased office.	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing were also in charge of independent director;	Independent Director, Mr. Lay; Kuen-Horn; Director, Mr. Ho, Ming-Heng; and Director, Mr. Kung, Shao-Hsing are stakeholders, and were excused from the discussion and votes to

			director (chairman) or managers of the related company in the case, Yuanta Securities Co., Ltd.	avoid the conflict of interest. All other directors present in the meeting acted in favor of the motion as stated in common consent after the inquiry of the chairman of the meeting.
<p>III. Enhancements to the functionality of the Board of Directors in the current and the most recent year (e.g. the establishment of an Audit Committee, improving information transparency etc), and the progress of such enhancements:</p> <ol style="list-style-type: none"> 1. The Company formulated the “Rules for the Conduct of Directors Meetings” in accordance with the Competent Authority’s regulation, including the content of meetings, procedures, matters to be recorded in the meeting minutes, public announcement, and other matters for compliance, which shall follow the rules. The Company also formulated relevant measures of the corporate governance and disclosed them on the Company’s website and the Market Observation Post System. 2. As required by the competent authority, the Company shall establish a Remuneration Committee by the end of 2011. The Board of the Company has resolved on November 24, 2011 to establish the Remuneration Committee and has established the “The Organizational Code of the Remuneration Committee”. 3. The Board of the Company has resolved on May 23, 2012 to establish the Auditing Committee and has established the “Organizational Code of the Auditing Committee”. 4. The Company not only arranged self-audit on a regular basis for its directors, the board, and the audit committee to enhance the efficiency and effectiveness of its operation, but also submitted to the audit committee and the board a report on actions taken by personnel of self-audit, legal compliance, and risks management to be consistent with the provisions of the Competent Authority. 5. The Company has appointed designated personnel to disclose relevant information and materiality as required by the competent authority in Chinese and English in MOPS for announcement. In addition, the Company has also disclosed the continuing education of the directors and independent directors, their attendance to Board meetings, Audit Committees, Remuneration Committee, and remunerations in MOPS. 				

Note 1: If Directors and Supervisors are corporate entities, then the names of corporate shareholders and their representatives must be provided.

Note 2: (1) The date of resignation must be specified for Directors or Supervisors who had resigned prior to the close of the financial year. The percentage of actual attendance (%) should be calculated based on the number of Board of Directors meeting held during active duty and the number of actual attendance.

(2) If a re-election of Directors or Supervisors had taken place prior to the close of the financial year, Directors/Supervisors of both the previous and the current term must be listed; the remarks column must address the re-election date and whether the Director/Supervisor was elected in the previous term, the new term, or both. The percentage of actual attendance (%) is calculated based on the number of board of directors meetings held during active duty and the actual attendance.

(II) The operation of the Auditing Committee:

The Auditing Committee convened 17 times (7th Meeting of the 8th Board of Directors, 10th Meeting of the 9th Board of Directors) in the most recent year (2015) (A). The attendance of the independent directors is shown below:

Title	Name	Actual attendance (B)	Proxy Attendance	Percentage of actual attendance (%) (B/A) (Note)	Remarks
Independent Director	Mr. Lai, Kun-Hung	7	0	100.00%	The 8 th convener should attend 7 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Independent Director	Mr. Huang, Jung-Hsien	7	0	100.00%	The 8 th independent director should attend 7 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Independent Director	Mr. Yeh, Shao-Wee	7	0	100.00%	The 8 th independent director should attend 7 meetings. 2015.5.21, the 8 th independent

					directors was resolved and the election of the new Board was held.
Independent Director	Mr. Lai, Kun-Hung	10	0	100.00%	The 9 th Independent Directors and convener were reelected on May 21, 2015 with 10 meetings to attend.
Independent Director	Mr. Huang, Jung-Hsien	10	0	100.00%	The 9 th Independent Directors were reelected on May 21, 2015 with 10 meetings to attend.
Independent Director	Mr. Kuo, Tu-Mu	8	2	80.00%	The 9 th Independent Directors were reelected and took office on May 21, 2015 with 10 meetings to attend.

Other remarks:

- I. On issues stated in Article 14-5 of the Securities and Exchange Act and issues not passed by the Auditing Committee by passed by a two-third majority of all directors, the date of Board session, the term of the Board, the content of the motions, the resolutions of the Auditing Committee, and the opinions of the Auditing Committee: None.
- II. With respect to the avoidance of conflicting interest agendas, describe the names of independent directors, details of the relevant agendas, reasons for avoiding conflicting interest, and the voting decisions:

Auditing Committee dates	Name of Committee	Agenda	Reasons for avoiding conflicting interests	Voting decision
February 21, 2015	Independent Director, Mr. Huang, Jung-Hsien	It is regarding the lease renewal of the office space at the headquarters.	Independent Director, Mr. Huang, Jung-Hsien was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Rongxian Huang, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
March 18, 2015	Independent Director, Mr. Huang, Jung-Hsien	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Huang, Jung-Hsien was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Rongxian Huang, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
	Independent Director, Mr. Huang, Jung-Hsien	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Huang, Jung-Hsien was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Rongxian Huang, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
March 25, 2015	Independent Director, Mr. Huang, Jung-Hsien	It is regarding the lease cancellation of the Taichung Branch office space, relocation, and a new	Independent Director, Mr. Huang, Jung-Hsien was also in charge of the Independent Director of the related company in	Mr. Rongxian Huang, the independent director and stakeholder, had himself excused from participating in the

		lease.	the case, Yuanta Securities Co., Ltd.	discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
May 29, 2015	Independent Director, Mr. Lai, Kun-Hung	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
	Independent Director, Mr. Lai, Kun-Hung	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
July 16, 2015	Independent Director, Mr. Lai, Kun-Hung	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
	Independent Director, Mr. Lai, Kun-Hung	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
August 19, 2015	Independent Director, Mr. Lai, Kun-Hung	It is regarding the lease of 4F-1 at Datong Building from Yuanta Securities Co., Ltd., the stakeholder.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting.

			Securities Co., Ltd.	The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
September 16, 2015	Independent Director, Mr. Lai, Kun-Hung	Re-signing with the interested party, Yuanta Securities Co., Ltd. on the “Agreement of Mandate to the Futures Trading Supplementary Service” and “Commission Agreement”.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
	Independent Director, Mr. Lai, Kun-Hung	The relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
	Independent Director, Mr. Lai, Kun-Hung	This is regarding the trade of securities and the use of proprietary funds for trading the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
October 15, 2015	Independent Director, Mr. Lai, Kun-Hung	It is regarding the engagement in securities lending transactions with Yuan Securities Co., Ltd., the stakeholder.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining attending directors had the proposal approved and presented to the board of directors for a resolution.
December 16, 2015	Independent Director, Mr. Lai, Kun-Hung	It is regarding the changes of the Company’s leased office.	Independent Director, Mr. Mr. Lay; Kuen-Horn was also in charge of the Independent Director of the related company in the case, Yuanta Securities Co., Ltd.	Mr. Lay; Kuen-Horn, the independent director and stakeholder, had himself excused from participating in the discussions and voting. The remaining

				attending directors had the proposal approved and presented to the board of directors for a resolution.
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III. The communication among the independent directors and the chief internal auditor and the certified public accounts (e.g., the issues of the financial position and operation of the Company for communication, the method of communications, and the result): the Company has instituted the “Procedure for the Communications between the Auditing Committee and the Certified Public Accountants” and the “Procedure for the Communications between the Auditing Committee and the Auditing Department” whereby the Auditing Committee, Chief Internal Auditor, and certified public accounts of the Company shall engage in communication with one another in compliance with the aforementioned procedures. In general, communications among these parties are positive. At the end of each year, the Auditing Committee has organized an overall performance evaluation with the Chief Internal Auditor and the certified public accountants, respectively, and presented the result of the evaluation before the Auditing Committee and the Board.

Note: The Company’s board of directors resolved on May 23, 2012 to establish an audit committee.

(III) How the Company’s actual governance differs from The Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies and why.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
I. Will the Company based on the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” set up and disclose the Company’s corporate governance best-practice principles?	V		1. The Company has created its corporate governance principles based on the “Corporate Governance Principles for TSE/GTSM Listed Companies” and the “Corporate Governance Best-Practice Principles for Futures Commission Merchants”, and shall be implemented once approved by the board of directors. 2. Additionally, the Company formulated the relevant chapter of corporate governance as required by regulations and implemented following the Company’s system. Other operations are also in compliance with relevant laws and regulations.	There is no difference detected.
II. Shareholding structure and shareholders’ equity. (I) Will the Company have the internal procedures regulated to handle shareholders’ proposals, doubts, disputes, and litigation matters; also, have the procedures implemented accordingly?	V		(I) 1. Matters of the shareholders previously handled by the spokesman, acting spokesman, and share transfer and registration staff of the Company shall be handled by related personnel, including the suggestions of or dispute with the shareholders, as the Company has designated a “corporate governance” special zone at the official website for feeding the shareholders with related information. There is also a shareholders contact window and customer service mailbox through which shareholders may request for related services via telephone or e-mail. 2. The Company intends to have the matters that have come through the Customer Service Mailbox handled in accordance with the “Act for Settlement of Customer Disputes.”	There is no difference detected.
(II) Will the Company possess the list of	V		(II) The Company has set up a designated body for tracking the list of	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
the Company's major shareholders and the list of the ultimate controllers of the major shareholders?			the dominant shareholders and the final shareholders of the dominant shareholders. In addition, the Company also applied with the Central Depository of Securities for the list of shareholders basing on the result after transactions have been made, and the declaration with the status of share transfer by the insiders of the Company in each month in order to keep track on the holding of shares by the shareholders.	
(III) Will the Company establish and implement the risk control and firewall mechanisms with the related parties?	V		(III) 1. The Company and the subsidiaries are independent of one another in financial and business transactions. 2. To strengthen the financial business among the affiliated enterprises and to prevent Non-arm's Length Transaction or conveyance of unjust interests among transactions between affiliated enterprises, acquiring or disposal of assets, and Lending of Capital. Therefore, to formulate the "Rules Governing Financial and Business Matters Between this Corporation and its Affiliated Enterprises", "Rules Governing Transactions with Interest Parties" and "Rules Governing General Authorization for transactions Other Than Credit Extension with Interested Parties Mentioned in Article 45 of Financial Holding Company Act" in accordance with the Company's Article 12 of "Corporate Governance Best-Practice Principles" for full implementation of risk management policies and firewalls. 3. The Company has established a Risk Management Department that shall be responsible for the overall risk management, control, supervision, and enforcement.	
(IV) Will the Company set up internal	V		(IV) The Company has the "Procedures for Handling Material Insider	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
norms to prohibit insiders from utilizing the undisclosed information to trade securities?			Information” regulated to prohibit insiders from utilizing the undisclosed information to trade securities.	
<p>III. The constitution and obligations of the board of directors</p> <p>(I) Will the Board of Directors have diversified policies regulated and implemented substantively according to the composition of the members?</p>	V		<p>(I) 1. The Company intends to have matters handled in accordance with the “Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies” and Company’s Article 20 Section 3 of “Corporate Governance Best-Practice Principles”. The composition of board members should be diversified. Appropriate and diversified policies should be drafted for the business operations, business patterns and development needs, of which, the diversification should include but not be limited to the standards with the following two aspects: Basic conditions and values (including gender, age, nationality, and culture) and professional knowledge and skills (including professional background of law, accounting, industry, finance, marketing or technology), professional skills and industry experience.</p> <p>2. The Board of Directors of the Company is formed by nine directors with professional backgrounds and extensive experience in financial industry; also, there are three independent directors out of the nine directors. The Directors (including independent directors) elections of the Company are held in accordance with a nomination system. Shareholders who have over 1% shareholdings and the board of directors may propose the list of nominees for directors for the review of</p>	There is no difference detected.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
(II) Will the Company, in addition to setting the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily?	V		<p>the board of directors and with the qualified candidates presented in the shareholders' meeting to be elected by the shareholders.</p> <p>(II) A resolution for setting up the Company's Remuneration Committee was reached in the board meeting on November 24, 2011 and the Audit Committee on May 23, 2012. The said two committees were formed by three independent directors that are currently operating well. In addition to attending the routine meetings, the Company's independent directors often work with the management and department heads to study corporate governance, understand the Company's relevant financial, accounting, regulatory compliance, audit, and risk management operations in good faith with proper care, and fulfill duties; therefore, currently there is no need to set up other functional committees.</p>	
(III) Will the Company have the performance evaluation rules and methods for the Board of Directors regulated and have the performance evaluation performed regularly every year?	V		<p>(III) 1. The Company has stipulated the "Rules Governing the Self-Evaluation of the Directors and the Board of Directors." The Company has arranged the self-evaluation of the directors and the board of directors annually with the self-evaluation results presented to the board of directors. The said "Rules" can be downloaded from the Company's website.</p> <p>2. The Company's 2015 Board of Directors performance evaluation was completed with the self-evaluation of the directors; also, the self-evaluation result was presented to the board of directors on January 28, 2016 and uploaded to the Company's website for reference.</p>	
(IV) Will the Company have the			(IV) 1. The Company's contracting the CPA and the audit fees are	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
independence of the public accountant evaluated regularly?	V		<p>proposed to the board of directors for review annually; also, the CPA Firm is requested to issue the “Statement of Independence.” Moreover, except for signing an audit agreement, there shall not have any other relationship between the contracted CPA and the Company.</p> <p>2. According to Article 30 of the Company’s “Corporate Governance Best-Practice Principles” and Article 5 of the “Rules Governing Communication Between the Audit Committee and CPAs,” the Audit Committee is to have the independence of the CPAs assessed at least once a year in accordance with the following assessment methods: (1) to obtain and review the formal written report of the CPAs and to describe its relation with the Company and the internal quality control procedures of the CPAs; (2) whether the CPAs own the Company’s stock shares; (3) review the relation between the CPAs and the Company’s executives at the end of each year; (4) if the contracted CPAs have not been replaced for five consecutive years or the contracted CPAs had received a disciplinary act or with its independence jeopardized, it is necessary to consider whether the CPAS should be replaced and the assessment result should be reported to the board of directors and disclosed on the Company’s website.</p>	
IV. Has the Company established a communication channel for the stakeholders, set the stakeholder column on the Company’s website, and responded to the stakeholders	V		(I) The Company’s Website is designed with the stakeholder section for having the problems of the stakeholders processed and responded. The Corporate Social Responsibility (CSR) report has been prepared since the year of 2015 and placed on the Company’s Website and MOPS for reference.	There is no difference detected.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
regarding their concerns over corporate social responsibilities?			<p>(II) The Company has a Spokesperson and Deputy Spokesperson to establish communication with its stakeholders. In addition, The Company's Internal Audit, Financial Department, Customer Service / Trading Department etc may also contact stakeholders to address specific issues. All legal disputes are handled by the Compliance Department.</p> <p>(III) In addition, the Company, for the purpose of substantiating the supervision function of the Board of Directors and Audit Committee, has the "Rules Governing the Suggestions and Complaints of the Stakeholders to the Audit Committee" stipulated and the complaints and suggestions channel established for receiving and processing any significant deficiency of the Company, fraud, corruption, and other criminal acts or suggestions and complaints that is beneficial to the Company's business management, operation, and development in order to promote full communication among the board of directors, the Audit Committee, and the stakeholders. The Company has the "suggestions and complaints mailbox" setup on the website, free customer service hotline (0800-333 -338), and Customer Service Mailbox available for contact.</p>	
V. Has the Company commissioned a professional stock service agent to handle shareholders affairs?	V		The Company has appointed Yuanta Securities Co., Ltd., a professional stock service agent, to handle shareholders affairs.	There is no difference detected.
VI. Disclosure of information (I) Does the Company have a website setup and the financial business and corporate governance information	V		(I) The "Corporate Governance" Zone of the Company's official website contains the information on financial position and operation in both Chinese and English, information on General	There is no difference detected.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
disclosed? (II) Has the Company adopted other information disclosure methods (such as, establishing an English website, designating a responsible person for collecting and disclosing information of the Company, substantiating the spokesman system, placing the juristic person seminar program on the Company's website, etc.)?	V		Meeting, institutional investors conferences, and the information on corporate governance. Please visit http://www.yuantafutures.com.tw/ (II) 1. The Company and the subsidiaries have also disclosed all relevant information onto the Market Observation Post System as required by the competent authority. These two tasks are being handled by dedicated personnel. 2. The Company has established the spokesman and acting spokesman system as required. Inquiry can be made by visiting the "Corporate Governance" Zone of the official website or at MOPS of TWSE.	
VII. Are there any other important information (including but not limited to the interests of employees, employee care, investor relations, supplier relations, the rights of stakeholders, the advanced study of directors and supervisors, the implementation of risk management policies and risk measurement standards, the execution of customer policy, the purchase of liability insurance for the Company's directors and supervisors) that are helpful in understanding the corporate governance operation of the	V		(I) Employees' rights and care to employees: 1. (1) The Company has stipulated the "Work Rules" (including work discipline, employment relations, salaries, working hours, break, holidays, leave, promotion and rotation, performance evaluation, incentive and punishment, retirement, occupational hazard, injury, and compensation and pensions, welfare, health and safety, and employee communication and cooperation) to discipline employee behavior. The "Code of Ethical Conduct" refers to ethical conduct standards, team spirit and integrity, equal job opportunity and prohibiting discrimination, health and safety of the working environment, respect for privacy and prohibiting the spread of rumors, the obligation of confidentiality, the proper production and preservation of paperwork, properly protecting the Company's assets,	There is no difference detected.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
Company?			<p>prohibiting insider trading, prohibiting any illegal gains by taking advantage of the job position, prohibiting conflicts of interest, preventing conflict of interest, fair trade and treatment, gifts, prohibiting bribery or illegal gains, obligation of reporting transaction authenticity, respect for the intellectual property rights of others, prohibition of engaging in any political activities, prohibition of influencing others to participate in any political activities, compliance of law and regulations, obligation of reporting any illegal acts, punishment and remedy procedures, exemptions from complying with the procedures, disclosure, and implementation. In addition, there are more disciplinary rules stipulated, such as, “Guidelines for Sexual Harassment Prevention, Grievance, and Discipline at Work Place” and “Employee Grievance” detailing various grievance channels and operating procedures to encourage and protect the informers who report any illegal and unethical act. Except for the “Code of Ethical Conduct” is placed on the Company’s internal and external website, the others are placed on the Company’s internal Website to be actually implemented for protecting the interests of employees.</p> <p>(2) In order to implement proper practices in handling material insider information, and maintaining secrecy throughout the process to avoid misleading investors' decisions which might otherwise compromise The Company’s reputations or cause extreme share price</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>movements, the Board of Directs had agreed to implement a new set of “Material Insider Information Procedures” during the meeting held in January 2010. Managers and employees had already been informed regarding these new rules, and the details of which are available on the corporate website and Intranet to ensure proper handling of material insider information.</p> <p>(3) Entrance code is strictly enforced at workplace and areas concerning the safety of the employees so that all employees can have a safe and suitable work environment. The passages to the floor, staircase of the workplace, or related ventilation, light source, lighting, fire safety, emergency measures, and related equipment for employee safety and health shall be subject to routine inspection and maintenance annually. The compensation for occupational injuries and related insurance coverage is explicitly stated in the “Working Guidelines” and is posted at the intranet of the Company.</p> <p>2. In addition to group insurance, the Company has employee shareholding trust, physical examination and healthcare and other resources for the concern and care of the employees.</p> <p>3. The Company has established the Employee Welfare Committee. This Committee is responsible for the fringe benefits of the employees and hold meetings at any time as needed. In addition, the committee also holds labor-management coordination meetings quarterly.</p> <p>4. The Company has the “Guidelines for Sexual</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Harassment Prevention, Grievance, and Discipline at Work Place” and “Employee Grievance” stipulated to prescribe various grievance channels and operating procedures in order to encourage and protect the informers who report any illegal and unethical act; also, setup telephone hotline and e-mail to handle grievance and suggestions filed by the employees.</p> <p>5. The Company calls for business meetings and management meeting regularly. All functional departments will call for cross-function meetings as dictated by business needs for coordination and communications among the departments.</p> <p>(II) Investor relations, supplier relations, and stakeholders’ interests:</p> <p>1. The investor matters are currently handled by the Company’s Investor Relations and spokesman, deputy spokesman, and Stock Affair Personnel. There is the suggestion and complaint mailbox and customer service mail box established at the official website of the Company. In addition, there is also a toll-free customer service hotline (0800-333-338) so that shareholders and investors may give suggestion and bring up queries through these channels. There is a Q&A zone for the shareholder in the “Corporate Governance” zone of the official website of the Company for fortifying the protection of the rights and privileges of the shareholders.</p> <p>2. The Company has set the “Corporate Governance Best-Practice Principle,” “Rules Governing Trades with the Stakeholders,” “Rules Governing the Blanket Authorization for Transaction Other Than Credit Transaction with the Stakeholders,” “Code of Ethical Conduct,” and “Rules</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>Governing the Suggestions and Complaints of the Stakeholders to the Audit Committee;” also, complied with the “Procedures for Ethical Management and Guidelines for Conduct” of Yuanta Financial Holdings, the parent company, to have the relevant interests regulated.</p> <p>3. The communication between the Company and the stakeholder is carried out by the Investor Relations and spokesman and deputy spokesman. In addition, the Internal Audit Department, Accounting Department, Finance Department, Customer Service and Transaction Department, and other related units shall contact the responsible personnel directly depending on the nature of the matters involving the stakeholders. A legal dispute issue is to be dealt with by the Compliance Department.</p> <p>4. Special columns on topics of the treasury, shareholders, and the operation of the Board and internal control of the Company were set up in the “Corporate Governance” zone of the Company website for the reference of the investors and stakeholders.</p> <p>5. The Company has dealt with suppliers pursuant to the “Ethical Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” of Yuantan Holdings, the parent company. The legality of the trade counterparty should be taken into consideration and whether there is any unethical act recorded. Try to avoid dealing with anyone with any unethical act committed; also, conduct all commercial activities with a fair and transparent practice.</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies																																											
	Yes	No	Summary description																																												
			<p>(III) Directors' on-going education: Information regarding Directors' on-going education in the fields of corporate governance, finance, business, commerce, accounting, or legal subjects have already been disclosed on the "Corporate Governance Section of the Market Observation Post System" (http://mops.twse.com.tw/index.htm). In addition, the Company's board of directors resolved on May 23, 2012 to establish an audit committee to take the place of supervisors.</p> <p>Continuing education of the directors in 2015:</p> <table border="1"> <thead> <tr> <th rowspan="2">Title</th> <th rowspan="2">Name</th> <th colspan="2">Training date</th> <th rowspan="2">Organizer</th> <th rowspan="2">Course name</th> <th rowspan="2">Training hours</th> </tr> <tr> <th>Start</th> <th>End</th> </tr> </thead> <tbody> <tr> <td rowspan="2">The 8th and 9th Independent directors</td> <td rowspan="2">Mr. Lai, Kun-Hung</td> <td>2015/07/15</td> <td>2015/07/15</td> <td>Taiwan Securities Association</td> <td>Business operation and related taxation discussion</td> <td>3</td> </tr> <tr> <td>2015/10/14</td> <td>2015/10/14</td> <td>Taiwan Securities Association</td> <td>Corporate social responsibility and corporate governance discussion from the trend of global risk</td> <td>3</td> </tr> <tr> <td rowspan="4">The 8th and 9th Independent directors</td> <td rowspan="4">Mr. Huang, Jung-Hsien</td> <td>2015/04/23</td> <td>2015/04/23</td> <td>Taiwan Securities Association</td> <td>Case study of Company Law</td> <td>3</td> </tr> <tr> <td>2015/07/15</td> <td>2015/07/15</td> <td>Taiwan Securities Association</td> <td>Business operation and related taxation discussion</td> <td>3</td> </tr> <tr> <td>2015/07/28</td> <td>2015/07/28</td> <td>Corporate Governance Association in Taiwan</td> <td>The 2015 Board of Directors White Paper Research Summary Report</td> <td>1</td> </tr> <tr> <td>2015/10/28</td> <td>2015/10/28</td> <td>Corporate Governance Association in Taiwan</td> <td>Double themes: The Board's assessment and business judgment rules</td> <td>2</td> </tr> </tbody> </table>	Title	Name	Training date		Organizer	Course name	Training hours	Start	End	The 8 th and 9 th Independent directors	Mr. Lai, Kun-Hung	2015/07/15	2015/07/15	Taiwan Securities Association	Business operation and related taxation discussion	3	2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3	The 8 th and 9 th Independent directors	Mr. Huang, Jung-Hsien	2015/04/23	2015/04/23	Taiwan Securities Association	Case study of Company Law	3	2015/07/15	2015/07/15	Taiwan Securities Association	Business operation and related taxation discussion	3	2015/07/28	2015/07/28	Corporate Governance Association in Taiwan	The 2015 Board of Directors White Paper Research Summary Report	1	2015/10/28	2015/10/28	Corporate Governance Association in Taiwan	Double themes: The Board's assessment and business judgment rules	2	
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Assessment items	Actual governance						Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies				
	Yes	No	Summary description								
				2015/12/22	2015/12/22	Corporate Governance Association in Taiwan	Financial statements fraud investigation skills	3			
				2015/12/28	2015/12/28	Corporate Governance Association in Taiwan	Corporate mergers and insider trading	3			
			The 9 th Independent Director	Mr. Kuo, Tu-Mu	2015/06/09	2015/06/09	Corporate Governance Association in Taiwan	Directors and supervisors should know about the derivatives operation of the Company.	3		
					2015/07/24	2015/07/24	Corporate Governance Association in Taiwan	Law protection of business secrets is crucial to an enterprise in competition	3		
					2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3		
					The representatives of the 8 th and 9 th directors	Mr. Lin, Tien-Fu	2015/04/23	2015/04/23	Taiwan Securities Association	Case study of Company Law	3
							2015/07/15	2015/07/15	Taiwan Securities Association	Business operation and related taxation discussion	3
			The representatives of the 8 th and 9 th directors	Mr. Ho, Ming-Hong	2015/04/23	2015/04/23	Taiwan Securities Association	Case study of Company Law	3		
					2015/07/15	2015/07/15	Taiwan Securities Association	Business operation and related taxation discussion	3		
			The representatives of the 8 th and 9 th directors	Ms. Chou, Hsiao-Ling	2015/05/05	2015/05/05	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance - a global perspective and Taiwan experience forum	3		
					2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and	3		

Assessment items	Actual governance						Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies		
	Yes	No	Summary description						
						Association	corporate governance discussion from the trend of global risk		
			The representatives of the 8 th and 9 th directors	Ms. Sung, Shiao-Chin	2015/04/23	2015/04/23	Taiwan Securities Association	Case study of Company Law	3
			The representatives of the 9 th directors	Mr. Kung, Shao-Hsing	2015/07/15	2015/07/15	Taiwan Securities Association	Business operation and related taxation discussion	3
					2015/07/24	2015/07/24	Corporate Governance Association in Taiwan	Law protection of business secrets is crucial to an enterprise in competition	3
					2015/07/31	2015/07/31	Corporate Governance Association in Taiwan	Operation of the Board and the effectiveness of the resolution reached	3
					2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3
			The representatives of the 9 th directors	Mr. Kuo, Yu-Hong	2015/07/21	2015/07/21	GreTai Securities Market	Insider Seminar for GTSM and Emerging Stock Market-Listed Companies	3
					2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3
			The representatives of the 9 th directors	Ms. Chen, Hsiu-Mei	2015/08/25	2015/08/25	Corporate Governance Association in Taiwan	Independent directors' performance	3
					2015/09/11	2015/09/11	Corporate Governance Association in Taiwan	Risk management, internal control, and information management	3

Assessment items	Actual governance						Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description				
					Taiwan	practice	
			2015/09/22	2015/09/22	Corporate Governance Association in Taiwan	Group governance	3
			2015/10/14	2015/10/14	Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3
			2015/11/06	2015/11/06	Corporate Governance Association in Taiwan	The 11 th International Corporate Governance Forum	3
<p>Note : It means whether the Directors and Supervisors have complied with the training hours, coverage, method, and disclosure required by the “Guidelines for Promoting Continuing Education to Directors and Supervisors of Public Listed Companies”.</p> <p>(IV) Risk management policies and risk assessment standards:</p> <ol style="list-style-type: none"> 1. The risk management of the Company is pursued in accordance with the risk management policy of the financial holding parent and the requirements of “Risk Management Best-Practice Principles for Commission Futures Merchants” of TSEC. The Company has established the “Yuanta Futures Risk Management Policy” that has been approved by the Board whereby the objective, scope, authority and responsibility of risk management system of the Company have been explicitly stated. This shall be the supreme guideline for the enforcement of risk management. 2. The risk management procedure of the Company is divided into 4 steps; namely, risk identification, risk assessment, risk management, and risk reporting. The purpose of the design of risk management procedure is to ensure all risks internal to the 							

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No		
			<p>Company can be effectively managed.</p> <p>(1)Risk identification: The Company identifies its risk mainly through business or product analysis whereby the risks confronting the operation of the Company, including market risk, credit risk, liquidity risk, operation risk, legal risk and model risk, can be identified. Relevant risks factors were identified by sources of risks basing on which appropriate risk assessment methods were selected for determining suitable risk indicators and standards, risk control procedure and integration with the internal control system.</p> <p>(2)Risk evaluation: The Company measures market risk using sensitivity analysis and the VaR (value at risk) model; the Company evaluates credit risk using the credit rating system and options valuation model (such as KMV) in accordance with the Group's credit risk rating system; the Company evaluates operational risk by establishing standardized operational procedures and by using operational risk management tools.</p> <p>(3)Risk management: The risk monitoring and management of the Company is pursued through the design of management tools, the proper enforcement of the limits, and the assignment of authority and responsibilities. Different management tools, risk management information systems and reports have been designed by the nature of different risks. Through the proper use of management tools, the Company can enhance the efficiency and upgrade the quality of risk management, to the extent that risk</p>	

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
			<p>monitoring and management can be pursued as substantive procedure and can be duly observed.</p> <p>(4)Risk report: The Company shall have the risk management results reported to the Audit Committee, the Company’s Board of Directors, and the Risk Management Committee of the Financial Holdings regularly; also, assist the executives to make decisions and achieve real-time risk management.</p> <p>(V) Implementation of the customer or consumer protection policy: The Company has established “Act for Settlement of Customer Disputes”, the trade dispute and litigation process is regulated in the Company’s internal control systems with the free customer service hotline (0800-333-338), Customer Service Mailbox, and suggestions and complaints mailbox available to serve. The Customer Service Department, auditors, and regulatory compliance personnel together are responsible for handling complaints and matters related to the interests of customers.</p> <p>(VI) The Company’s acquiring liability insurance for directors: The Company acquires liability insurance for the directors, independent directors, and the management annually for an insurance period from April 2 of current year to April 2 of the following year; therefore, the 2015 insurance policy is for the period of April 2, 2015 – April 2, 2016.</p>	
VIII.Does the Company have a corporate governance self-assessment report prepared or a corporate governance assessment report issued by the commissioned professional	V		1. The Company had passed the “CG6006 General Corporate Governance System Assessment and Certification” in December 2011 by the Taiwan Corporate Governance Association and the certificate was valid up to 12/13/2013. However, the GTSM had the Company informed in writing in 2012 that the over the counter	There is no difference detected.

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Governance Best-Practice Principles for TSEC/GTSM Listed Companies
	Yes	No	Summary description	
institutions? (If yes, please state the opinion of the board of directors, the self-assessment or outsourcing evaluation results, the main non-conformity or suggestion and implementation of improvement)			<p>companies are no longer required to go through the corporate governance system assessment every two (three) years; therefore, the Company did not apply for the assessment continuously.</p> <p>2. The Company was graded with a score of 88 points (published in May 2013) at the 10th (2012) information disclosure assessment, ranked the Top-20 listed/OTC companies with the best grade “A++” rating awarded. The Company had performed even better with a score of 93 points received at the 11th information disclosure assessment (published in June 2014); also, received a score of 94 points (published in April 2015) at the 12th information disclosure assessment, the one and only futures company in Taiwan to receive “A++” rating for three consecutive years.</p> <p>3. The Company was graded with a score of 94.32 points (published in May 2015) at the 1st (2014) “Evaluation of Corporate Governance,” ranked in the top 5-percent of the listed/OTC companies. It shows that the public recognizes the Company’s upholding the highest ethical management principle, the commitment to protect shareholders’ equity continuously, and the pursuit of sustainable business development. In addition, the relevant evaluation results of the 2nd term will be published in April 2016. The evaluation result has not been presented up to the printing date of the annual report.</p> <p>4. The Company did not have the Corporate Governance Evaluation Report commissioned to others professional institutes in 2015.</p>	

(IV) The foundation, responsibilities, and functionality of the Remuneration Committee

The 1st Remuneration Committee of the Company has been passed by the Board in a session held on November 24, 2011. This committee is consisted of all independent directors of the Company. In addition, the Company has also passed the Organizational Code of the Remuneration Committee. Owing to its corporate merger, the Board has been resolved (including the 3 independent directors) in 2012 with the election of a new Board. As required, the Board resolved the motion of appointing Independent Director Mr. Huang, Jung-Hsien, Mr. Yeh, Shao-Wee and Mr. Lai, Kun-Hung of the 8th Board of Directors as members of the 8th (the same as the term of the Board) Remuneration Committee. The tenure of the committee members shall be identical with the 8th independent directors, which covers the period of June 15, 2012 to May 20, 2015. The 8th directors (including three independent directors) were elected entirely on May 21 2015. According to the regulations stated in the preceding paragraph, the Board of Directors had resolved to have the 9th independent directors, Mr. Jung-Hsien Huang, Mr. Kuen-Horn Lay, and Mr. Tu-Mu Guo, appointed as the members of the 9th Remuneration Committee for a tenure same as the directors, that is, from May 21, 2015 to May 20, 2018 with the relevant information disclosed as follows:

1. Profiles of the members of the Remuneration Committee

Identity (Note 1)	Qualification	Having more than 5 years work experience and professional qualifications listed below			Compliance of independence (Note 2)								Number of other public companies where the members are also the members of the remuneration committee of these companies.	Remarks (Note 3) The end
		Lecturer (or above) of commerce, law, finance, accounting, or any subjects relevant to the Company's operations in a public or private tertiary institution	Certified judge, attorney, lawyer, accountant, or holders of professional qualification relevant to the Company's operations	Commercial, legal, financial, accounting or other work experiences required to perform the assigned duties	1	2	3	4	5	6	7	8		
Independent Director	Mr. Huang, Jung-Hsien			✓	✓	✓	✓	✓	✓	✓	✓	✓	1	The 8 th and 9 th conveners
Independent Director	Mr. Lai, Kun-Hung		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	4	
Independent Director	Mr. Yeh, Shao-Wee			✓	✓	✓	✓	✓	✓	✓	✓	✓	0	
Independent Director	Mr. Kuo, Tu-Mu	✓		✓	✓	✓	✓	✓	✓	✓	✓	✓	3	

Note 1: Identity is known as director, independent director or others.

Note 2: place a "✓" in the box below if the member met the following conditions during the time of active duty and two years prior to the elected date.

- (1) Not employed by the Company or any of its affiliated companies.
- (2) Not a director or supervisor of the Company or its affiliates Except the capacity as independent director of the Company, the parent, or subsidiaries where the Company held more than 50% of the direct or indirect voting shares.
- (3) Does not hold more than 1% of the Company's outstanding shares in his/her own name or under the name of spouse, underage children, or any other person; nor is any party listed herein one of the ten largest natural person shareholders of the Company.
- (4) Not a spouse, relative of second degree, or direct kin of third degree or closer to persons described in criteria 1~3.
- (5) Not a director, supervisor, or employee of the Company's corporate shareholder holding more than 5% of the Company's outstanding capital; nor a director, supervisor, or employee to any of the top 5 corporate

shareholders.

- (6) Not a director, supervisor, manager, or shareholder with more than 5% ownership interest in any company or institution that has financial or business relationship with the Company.
- (7) Not a professional, business owner, partner, director, supervisor, or manager of any sole-proprietorship, partnership, company, or institution providing commercial, legal, financial, or accounting services or consultations to the Company or any of its affiliated companies; nor a spouse to anyone listed herein.
- (8) Does not meet any descriptions stated in Article 30 of The Company Act.

Note 3: If the member is a director, specify if it is in compliance with the requirements of Article 6-5 of the “Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Stock Exchange or Traded Over the Counter”.

2. The duties of the Remuneration Committee

- (1) Evaluates and supervises The Company’s remuneration policies.
- (2) Determines Directors’ and Supervisors’ remuneration system.
- (3) Establishes performance evaluation and remuneration standards for all managers.
- (4) Establishes salary adjustment standards.
- (5) Establishes special bonus criteria.
- (6) Any other tasks authorized by the Board of Directors.

The Committee shall perform the abovementioned duties based on the following principles:

- (1) Determine performance evaluation standards and remuneration policies based on risk-adjusted performance, The Company’s long-term profitability, and shareholders’ interests.
- (2) Remuneration should not provide incentives for Directors, Supervisors and managers to engage in conducts outside The Company’s risk appetite. Remuneration policies and performance are subject to regular review, in order to ensure conformity to The Company’s risk appetite.
- (3) Remuneration should also be made based on the forecast risk-adjusted profits, in order to avoid situations where The Company incurs losses after compensating for the additional risks undertaken. A significant portion of the remuneration should be deferred or paid in shares.
- (4) When evaluating Directors’, Supervisors’ and managers’ individual contributions to the Company, comparisons should be made against other peers of the financial industry to determine if performance is attributed to the Company’s low cost of capital or other strengths rather than individual factors.
- (5) Severance pay to Directors, Supervisors and managers should be determined based on realized performance, in order to avoid paying large sums for severance after only a short stay.
- (6) The Company must disclose to its shareholders the principles, methods, and goals relating to the above evaluation standards or remuneration policies.

3. Information on the operation of the Remuneration Committee

- (1) The Remuneration Committee of the Company is consisted of 3 persons.
- (2) The tenure of the 8th Committee Members: From June 15, 2012 to May 20, 2015. The Remuneration Committee had three meetings (A) held in the most recent year (2015).
- (3) The tenure of the 9th Committee Members: From May 21, 2015 to May 20, 2018. The Remuneration Committee had five meetings (A) held in the most recent year

(2015).

Membership and attendance of the members:

Title	Name	Actual attendance (B)	Proxy Attendance	Percentage of actual attendance (%) (B/A) (Note)	Remarks
Convener	Mr. Huang, Jung-Hsien	3	0	100.00%	The 8 th Directors should have attended 3 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Members	Mr. Lai, Kun-Hung	3	0	100.00%	The 8 th Directors should have attended 3 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Members	Mr. Yeh, Shao-Wee	3	0	100.00%	The 8 th Directors should have attended 3 meetings. 2015.5.21, the 8 th independent directors was resolved and the election of the new Board was held.
Convener	Mr. Huang, Jung-Hsien	5	0	100.00%	The 9 th Independent Directors were reelected on May 21, 2015 with 5 meetings to attend.
Members	Mr. Lai, Kun-Hung	5	0	100.00%	The 9 th Independent Directors were reelected on May 21, 2015 with 5 meetings to attend.
Members	Mr. Kuo, Tu-Mu	4	1	80.00%	The 9 th Independent Directors were elected on May 21, 2015 with 5 meetings to attend.

Other remarks:

- I. The Board may not accept the recommendations of the Remuneration Committee, or revise the recommendations, specify the date of the Board meeting, the term, the content of the motion, the resolution of the Board, and the response of the Board towards the opinions of the Remuneration Committee (e.g., the remuneration package passed by the Board is superior to the recommendation of the Remuneration Committee, specify the difference and the reasons): none.
- II. If any of the members of the Remuneration Committee hold adverse opinion or qualified opinions with record or in written declaration against the resolutions of the committee, specify the date and the session of the committee meeting, the content of the motion, the opinions of all members and the response to the opinions of the members: none.

Note:

- (1) If a specific member of the Remuneration Committee resigned before the end of the fiscal year, specify the date of departure in the field of Remarks, the attendance rate to committee meetings (%) basing on the actual attendance to committee meetings during his or her term of office in proportion to the total number of committee meetings held in the same period.
- (2) There is the election of new committee members before the end of the fiscal year, specify the names of the old and the new committee members in the field of Remarks as old member, new member, or renewal of new term by old member, and the date of the election. The actual attendance rate to committee meetings (%) basing on the actual attendance to committee meetings during his or her term of office in proportion to the total number of committee meetings held in the same period.

Fulfillment of social responsibilities:

Assessment items	Actual governance		Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	
<p>I. Implementation of sound corporate governance</p> <p>(I) Does the Company have the CSR policies or systems established and the implementation effect reviewed?</p> <p>(II) Does the Company have the CSR education and training arranged on a regular basis?</p> <p>(III) Does the Company have a specific (or part-time) unit set up to promote corporate social responsibility, have the management been authorized by the Board of Directors to handle matters and report the processing results to the Board of Directors?</p> <p>(IV) Does the Company have a reasonable salary and remuneration policy set-up, have the employee performance evaluation system been combined with the corporate social responsibility policies and have a clear and effective reward and</p>	<p>V</p> <p>V</p> <p>V</p> <p>V</p>	<p>(I) The Company is a member of Yuanta Financial Holdings. Yuan Financial Holdings has set the “Corporate Social Responsibility Best Practice Principles” and “Rules Governing Corporate Social Responsibility Policy and Management” and placed on the website of Yuanta Financial Holdings and the Company to regulate all the members within the Group.</p> <p>(II) Courses of business ethics and Anti- bribery course are arranged on a regular basis every year, and propaganda and training of laws and regulations as well as tests are conducted to staff to ensure employees to possess right concepts and to comply with relevant rules so that the spirit of the corporate social responsibility can be fully implemented.</p> <p>(III) The Company’s General Planning Department is responsible for promoting corporate social responsibility work, preparing annual corporate social responsibility report, grasping and tracking the progress of job implementation, and reporting to the Board of Directors annually.</p> <p>(IV) The Company has set the “Rules Governing Performance,” “Rules Governing Bonus Distribution,” “Regulations Governing Remuneration to Salespersons,” “Rules Governing the Distribution of Bonus to the Executives,” and “Guidelines for Employee Incentive and Disciplinary</p>	<p>There is no difference detected.</p>

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No		
punishment system been established?			Act” to have employee performance evaluation and incentive and disciplinary action and corporate social responsibility policy integrated and implemented effectively.	
<p>II. Development of a sustainable environment</p> <p>(I) Is the Company committed to enhancing the utilization efficiency of resources and use renewable materials that are with low impact on the environmental?</p> <p>(II) Does the Company have an appropriate environmental management system established in accordance with its industrial character?</p> <p>(III) Does the Company pay attention to the impact of climate change on the operational activities, implement greenhouse gas check, and form an energy-saving, carbon-reduction, and greenhouse emissions reduction strategy?</p>	<p>V</p> <p>V</p> <p>V</p>		<p>(I) (II) The Company is engaged in futures business without the risk of causing pollution to the environment; therefore, ISO 14001 is not applicable currently. In addition, the Company is committed to promoting electronic billing and resource recycling for environmental protection. In terms of purchasing office supplies and equipment, low energy-consumption and green products are purchased. Yu Shin Safety & Health Management Consulting Co., Ltd. is to issue a labor working environment report to us annually.</p> <p>(III) 1. The Company, in support of the regulations and government policies, promotes environmental protection policy of power-saving, water-saving, and energy conservation, including room temperature control, turn-off lights when it is necessary, water and paper saving, electronic billing, self-sufficient tableware, non-smoking indoor, and regular disinfection and pest control.</p> <p>2. In addition, the Company is engaged in futures business and is not subject to the carbon emissions of category 1. The Company’s carbon emissions are classified as category II, mainly from electricity and water consumption. The carbon emission from water and</p>	There is no difference detected.

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No		
			electricity consumption of the headquarters in 2013 and 2014 were disclosed on the MOPS. In addition, Taiwan Power Company and Water Company had not yet announced the carbon emission coefficient per degree of electricity and water consumption in 2015 up to the printing date of the annual report; therefore, the Company will disclose the carbon emission from water and electricity consumption of the headquarters in 2015 on the MOPS as soon as the carbon emission coefficient is announced accordingly.	
<p>III. Enforcement of social justice</p> <p>(I) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?</p> <p>(II) Does the Company have the complaints mechanism and channels established for employees and have it handled properly?</p> <p>(III) Does the Company provide employees with a</p>	V		<p>(I) The Company has proposed the working guidelines as required by law, posted the guidelines at the intranet of the Company, calls for labor-management meetings regularly, and employs the handicapped and the indigenous people as employees for the respect of the basic human right of the worker internationally recognized.</p> <p>(II) The content of the “Employee Complaints Announcement” is published on the Company’s website, including the scope of employee complaints, employee complaint form, complaint procedures, etc. The Company is to have any incidents that have occurred investigated within the time limit sensibly, reasonably, and legally; also, replies to the employee with the relevant results in writing or by telephone in order to actually solve the problem for the employee.</p> <p>(III) The Company has the “Employee Safety and Health</p>	There is no difference detected.

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No		
safe and healthy work environment, and provide safety and health education to employees regularly?	V		Best Practice Principles” reported and placed on the Company’s internal Website, regularly inspected and maintained fire system and disaster prevention equipment, provided occupational hazard compensation and related insurance, and equipped a 24-hour strict access measure to provide employees with a safe workplace. In addition, arrange health check-up for colleagues regularly. (IV) The Company adopts a number of approaches for communications with the employees, including the Employee Welfare Committee meetings, labor-management meeting, department meetings, cross-function coordination meetings, management meetings, the audit committee, the mailbox for the suggestions and complaints, and lunch or dinner gatherings. In addition, the Company also disseminates information on the changes in operation that may cause significant influence on the employees through meetings and e-mails. (V) The Company, for the purpose of stimulating employee’s potentials and nurturing talents, has the “Guidelines for Employee Education and Training” regulated to train employees establishing effective occupational capacity. (VI) Except that the Company has the system of spokesperson and acting spokesperson for the communications with the customers, it has established a toll-free customer service hotline (0800-333-338), customer service mailbox, and suggestions and complaints mail box for communications.	
(IV) Has the Company developed the mechanism for the routine communication with the employees, and informed the employees of the changes in operation that may cause significant influence on the employees through reasonable means.	V			
(V) Does the Company have an effective career capacity development training program established for the employees?	V			
(VI) Does the Company have the relevant consumer protection policies and complaint procedures established in the sense of R&D, procurement, production, operations and service processes?	V			
	V			
	V			

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No		
(VII) Does the Company have products and services marketed and labeled in accordance with the relevant regulations and international norms?	V		<p>The Company has established the procedure for the settlement of disputes and lawsuit from trading in its internal control system, and has announced the “Yuanta Financial Holding Company and subsidiaries policy of confidentiality in customer information” as the guideline for the confidentiality and non-disclosure of customer information under due diligence.</p> <p>(VII) The Company is a futures commission merchant and has acted to protect the interests of traders in accordance with the relevant futures commission merchant laws and regulations and the “Guidelines for Promotional Materials and Advertisement Performed by Members of Chinese National Futures Association.”</p>	
(VIII) Does the Company have the suppliers checked in advance for any records of impacting the environment and society?	V		<p>(VIII) The Company has the transactions with the suppliers processed in accordance with Article 16~20 of the “Procedures for Ethical Management and Guidelines for Conduct” that is also applicable to the other members of the Group. (I) For understanding the state of operation of the contracting parties in business better, the Company shall include the clause of business integrity in the agreements, and shall request respective suppliers to provide the declaration of business integrity and information on business transactions for reference. In addition, the Company shall also check the legal status of these parties at the website of the court to confirm if there is a history of receiving bribes and/or the offering of illegal political contributions.</p>	

Assessment items	Actual governance		Summary description	Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No		
(IX) Does the contract signed by the Company with the major suppliers entitle the Company to have the contract cancelled or terminated at any time when the suppliers violate the CSR policies that have significant impact on the environment and society?	V		(IX) The Company has requested manufacturers to comply with the environmental protection and health and safety requirements; also, to work together for improving corporate social responsibility in accordance with Article 16~20 of the “Procedures for Ethical Management and Guidelines for Conduct” that is also applicable to the other members of the Group. According to Article 20 Paragraph 2 of the “Procedures for Ethical Management and Guidelines for Conduct,” when one of the parties has conducted business activities involving an unethical act, the other party may have the contract terminated or rescinded at any time.	
IV. Enhanced information disclosure (I) Does the Company have the relevant and reliable CSR information disclosed on the Company’s website and MOPS?	V		(I) The Company’s fulfillment of corporate social responsibility must be disclosed on the annual report, the annual CSR report has been disclosed in the corporate governance section of the Company’s website and MOPS since the year of 2015.	There is no difference detected.
V. For companies who established corporate responsibility code of conducts in accordance with the “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies”, please describe the current practice and any deviations from the code of conduct: Yuanta Financial Holdings had formulated “Corporate Social Responsibility Best Practice Principles” and “Corporate Social Responsibility Policies and Management Rules” in accordance with “Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies” in order for all corporate members of our group including the Company to comply. Currently there is no significant difference in operations.				
VI. Other important information that help understand the CSR operation: Social care: 1. The Company donated NT\$4.65 million in 2015 to “Yuanta Foundation” to actively participate in charity activities from the three aspects of “Public Charity • Social Education,” “Academic Grants • Talents Incubation,” “Promoting Arts • Culture and Education.” Include organizing “Charity				

Assessment items	Actual governance			Deviation and causes of deviation from the Corporate Social Responsibility Best Practice Principles for TWSE/GTSM-Listed Companies
	Yes	No	Summary description	
<p>Seminar,” blood donation activity” and “volunteer charity activity” to encourage children in secluded countryside to pursue their dreams, to initiate summer intern programs, to nurture financial professionals, and to spare no effort in promoting culture.</p> <p>2. The Company donated NT\$2.2 million in 2015 to “Yuanta-Polaris Research Institute” to support the academic research institute studying the macroeconomy of Taiwan and other major nations, finance, and instruments, to implement important annual plans, and to share the research results with the community.</p> <p>3. The Company is committed to fulfill our corporate social responsibility and to exercise the spirit of compassion by donating NT\$2.5 million to Social Affairs Bureau of Tainan City Government on February 19, 2016 upon learning about the earthquake took place in Tainan on February 6, 2016 as a demonstration of our concern and condolences.</p> <p>4. The Company, based on the corporate social responsibility of feedback to society to help disadvantaged groups and to help have second-hand office furniture (desk and chairs, metal cabinet, etc.), donated to charity groups; it also participates in the “Old shoes saving life” charity activity to help the children in the poorest regions of Africa eliminate the chigoe flea and to help the children there grow healthy and receive education. In addition, the Company raises supplies and makes donations to support this activity.</p> <p>5. The Company, for fulfilling its corporate social responsibility, organized the “Mountain Cleaning” environmental campaign to encourage staff to participate in the effort of environmental protection and to make contribution for the good of the society and the planet.</p> <p>6. The Company hires persons with disabilities and of indigenous people as employees.</p> <p>7. The Company had cooperative education contracts signed with several colleges and universities to provide internships to students with the opportunity to experience hand-on operation at the workplace; also, invited students and teachers of the cooperating schools to visit the Company.</p> <p>Energy conservation:</p> <p>1. Promote electronic billing activities to save paper usage.</p> <p>2. Promote the environmental protection policy of power-saving, water-saving, and energy conservation; also, disclose annual carbon emissions on MOPS.</p> <p>3. Efforts toward resource recycling and reuse.</p>				
<p>VII. Describe the criteria undertaken by any institution to certify the Company’s corporate responsibility reports: none.</p>				

(VI) The Company’s integrity and measures taken to ensure service integrity:

Proper enforcement of business integrity

Assessment items	Actual governance			Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	Summary description	
<p>I. Business Integrity Policy and action plans</p> <p>(I) Does the Company have the corporate management policy and method declared explicitly in the Articles of Incorporation and external documents; also, the commitment of the board of directors and the management to actively implement the operating policies?</p>	V		<p>(I)</p> <p>1. According to Article 1 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” all TWSE/GTSM-Listed companies shall establish their principles for business integrity in accordance with the aforementioned rules and shall be applicable to their subsidiaries, organizations or groups that the companies have directly or indirectly donated more than 50% of their funds accumulatively, and institutions or group enterprises or business organizations that the companies have actual power of influence. As such, the Company has complied with the “Yuanta Financial Holding Company Limited Best-Practice Principles in Business Integrity”, and “Operation Procedure and Code of Conduct in Business Integrity”.</p> <p>2. Yuanta Financial Holdings complied with the policy of the Financial Supervisory Commission and “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and the sample template of “Procedures for Ethical Management and Guidelines for Conduct” published by Taiwan Stock Exchange, and the board of directors resolved on October 25, 2011 and December 27, 2011 respectively to formulate the “Ethical Corporate Management Best Practice Principles for Yuanta Financial Holdings Co., Ltd.” and “Procedures for</p>	There is no difference detected.

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
(II) Does the Company have the prevention program for any fraud stipulated; also, have the respective operating procedures, behavior guidelines, disciplinary actions and complaints system declared explicitly; also have it implemented substantively?	V		<p>Ethical Management and Guidelines for Conduct of Yuanta Financial Holdings Co., Ltd.”</p> <p>3. To facilitate the procedure, the Company has designated a dedicated unit to be in charge of implementing relevant operations and reporting to the board of directors on a regular basis. The Companies also abided by the operational philosophies of honesty, transparency and responsibility, base policies on the principle of good faith and establish good corporate governance, risk control and management mechanism to create an operational environment for sustainable development.</p> <p>4. The Company has the Ethical Management Committee organized to establish a business culture of ethical management and to substantiate ethical management; also, has the “Rules Governing the Establishment of Ethical Management Committee” setup in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” of Taiwan Stock Exchange; also, complies with the “Ethical Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines for Conduct” of Yuanta Financial Holdings.</p> <p>(II) The acts of fraud and fraudulent interest, committing or accepting bribes, providing illegal campaign contributions, improper charitable donations or sponsorships and un-reasonable gifts, and hospitality or other improper benefits are prohibited explicitly in the “Ethical Corporate Management Best Practice Principles for Yuanta Financial Holdings.” The “Procedures for Corporate Management and</p>	

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
(III) Does the Company have preventive measures adopted in response to the conducts stated in Article 7 Paragraph 2 of the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” or other business activities subject to higher risks of fraud?	V		<p>Guidelines for Conduct” are regulated. In addition, the disciplinary action and complaint system for any violation of corporate management is stipulated. The job title and name of the violator, date of violation committed, the content of the violation committed, and the handling of the said violation are disclosed on the website in a timely manner.</p> <p>(III) In mapping out the plans for the prevention of breach of integrity, what measures have the Company adopted to prevent the offering and acceptance of bribes, the offering of illegal political contribution in the area of business activities vulnerable to the breach of integrity. In addition, all procurements are handled in accordance with the “Procedures for Ethical Management and Guidelines for Conduct” of Yuanta Financial Holdings.</p>	
<p>II. Proper enforcement of business integrity</p> <p>(I) Does the Company have the integrity of the trade counterparty assessed and with the code of integrity expressed in the contract signed?</p> <p>(II) Does the Company have a specific (part-time) unit setup under the board of directors to advocate the code of integrity and to report on its implementation to the Board on a regular basis?</p>	V		<p>(I) For understanding the state of operation of the contracting parties in business better, the Company shall include the clause of business integrity in the agreements, and shall request respective suppliers to provide the declaration of business integrity and information on business transactions for reference. In addition, the Company shall also check the legal status of these parties at the website of the court to confirm if there is a history of receiving bribes and/or the offering of illegal political contribution.</p> <p>(II) 1. The Company has the “Ethical Management Committee” organized under the administration of the board of directors in August 2015 in accordance with the “Procedures for Ethical</p>	There is no difference detected.

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
(III) Does the Company have developed policies to prevent conflicts of interest, provided adequate channel for communication, and substantiated the policies?	V		<p>Management and Guidelines for Conduct” of Yuanta Financial Holdings and the “Rules Governing the Establishment of Ethical Management Committee” of the Company with one chairman and five members appointed who are the director of the Compliance Department, Risk Management Department, Auditing Department, General Planning Department, and Administration Office. At least one meeting is convened annually to assist the Board and the management to check and evaluate whether the implementation of the preventive measures established for substantiating ethical management is functioning effectively, and regularly assess the compliance of the relevant business processes with a report prepared in order to deepen and upgrade the sound management of the Company’s ethical operation.</p> <p>2. The 2015 company’s operation of the corporate governance and implementation of the ethical management had been reported to the 11th of the 9th board of directors on February 25, 2016.</p>	
	V		<p>(III)</p> <p>1. The Company formulated the “Codes of Ethics” to establish that when the Company’s directors or managers take advantage of their positions and authorities to involve themselves or their spouse, parents, children, or relatives within the third degree of kinship, and the affiliated enterprise at which a director, supervisor, or managerial officer works in business interactions with the Company, they shall declare initially the information, and comply with a legitimate and appropriate means to handle or avoid the conflict of interest. The Company established a sound management mechanism and implemented in the internal</p>	

Assessment items	Actual governance		Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No	
(IV) Has the Company established effective accounting systems and internal control systems to substantiate corporate management; also, have audits performed by the internal audit unit on a regular basis or by the commission CPAs?	V		<p>control and external business activities to enhance the effect of the ethical corporate management.</p> <p>2. The Company has formulated relevant regulations such as “Audit Committee Charter,” “Rules of Procedure for Board of Directors Meetings,” and “Codes of Ethics,” etc. For the recusal of relevant corporate personnel (including directors) due to conflicts of interest, prohibition against disclosure of confidential information, Prohibition against insider trading, and Non-disclosure agreement, they shall be handled under relevant regulations.</p> <p>(IV)</p> <p>1. For the Company’s accounting affairs, except as otherwise provided laws and regulations shall handle them handled in accordance with the accounting system of the Company. Every quarterly financial statement shall be audited (reviewed) by CPAs of PricewaterhouseCoopers.</p> <p>2. Under the regulations of ethical corporate management, the Company is closely linked with relevant internal control rules for all departments complying with the internal control system and operation procedure to avoid any dishonest behavior of the employees. Additionally, while the corporate personnel involving any dishonest behavior, except that the internal audit department shall be instructed to conduct the audit, and the dedicated unit submitted to the board of directors a report on the unethical conduct, actions taken, and subsequent reviews and corrective measures. In the event other persons are suspected of engaging in unethical conduct to the Company and involving illegal affairs, the internal audit department shall</p>

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
(V) Has the Company organized corporate management internal and external education and training programs on a regular basis?	V		<p>submit relevant audit results to the legal compliance department in order for the legal compliance department to assist the Company in reporting the relevant facts to the judicial and prosecutorial authorities.</p> <p>3. Our Company's internal audit department executes the audit on a regular and non-regular basis of the compliance for internal control system and the accounting system, and summarizes an audit report on a regular basis and submits it to the audit committee and the board. There was not any violation against ethical management found in the 2015 internal audit.</p> <p>(V) As required by regulations, the Company holds the training courses of "Anti-bribery, anti-corruption, and business ethics" every year, and all staff shall participate and pass the examination to ensure employees to possess right cognition and basic judgment concerning relevant laws and ethical conduct. Also, to implement legal compliance and fulfill the corporate social responsibility of the ethical management. In addition, the external training programs are handled in accordance with the "Guidelines for Employee Education and Training."</p>	
<p>III. The operations of the Company's Report System</p> <p>(I) Does the Company have a specific report and reward system stipulated, a convenient report channel established and a responsible staff designated to handle the individual being reported?</p>	V		<p>(I) The Company's report system includes external mailbox or internal e-mail or written reports. In addition, there is the "Suggestion and Complaint" column on the Company's website to accept suggestions or comments for improvement at any time. The identity of the whistle-blower and contents of the complaint should be kept confidential and it is to be handled by the Audit Office and Compliance Department. In</p>	There is no difference detected.

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
(II) Does the Company have the standard investigating procedures and related confidentiality mechanism established for the incidents being reported?	V		<p>addition, the corporate management and employee performance evaluation and human resources policy are combined to establish a clear and effective disciplinary and appeal system.</p> <p>(II) Upon discovering or receiving a complaint about any personnel's involvement in unethical conduct, the Company shall ascertain the relevant facts immediately; if it is verified, the Company shall make an appropriate disposition in accordance with laws and regulations or this Company's policy and procedures of ethical management. When necessary, this Company will institute legal proceedings and seek damages to safeguard its reputation and its rights and interests. If the employee disciplined has any dissent, she/he may file an application for reconsideration pursuant to the complaint system. After the disciplinary case is verified, the Company shall disclose on its intranet information the name and title of the violator, the date and details of the violation, and the actions taken in response. The Company shall charge relevant units with the task of reviewing the internal control system and relevant procedures and proposing corrective measures to prevent a recurrence of the same unethical conduct in order to fully implement principles of ethical management. In addition, the "Work Rules," "Codes of Ethical Conduct," and "Procedures for Corporate Management and Guidelines for Conduct" contain confidentiality clause; also, the labor contract signed with all employees contains affidavit of confidentiality.</p>	
(III) Has the Company taken proper measures to	V		(III) The measures for protecting the whistle-blowers from	

Assessment items	Actual governance		Summary description	Variation from the Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies and the reasons
	Yes	No		
protect the whistle-blowers from suffering any consequence of reporting an incident?			suffering any consequence of reporting an incident are clearly stipulated in the “Codes of Ethical Conduct” and “Procedures for Corporate Management and Guidelines for Conduct.”	
IV. Enhanced information disclosure Does the Company have the contents of corporate management and its implementation disclosed on the website and MOPS?	V		(I) The Company discloses the information of its ethical management consistently on the Yuanta Financial Holdings’ website, and discloses “Codes of Ethics” the Company’s website. (II) The Management Department of the Company shall load relevant information to the intranet of the Company at any time as needed. Currently, the department has announced the “Particulars for Procurement Management”, which covers business integrity and related operation procedure.	There is no difference detected.
V. Where the Company may have establish its own business integrity best-practice principles in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies”, and shall elaborate the practice of business integrity and the variations from the aforementioned regulation: The Company has complied with the “Yuanta Financial Holding Company Business Integrity Best-Practice Principles” and “Yuanta Financial Holding Company Business Integrity Operation Procedure and the Code of Conduct” in operation. There is no significant variation for the time being.				
VI. Other vital information that helps to understand the practice of business integrity of the Company (e.g., the review and revision of the best-practice principles of the Company in business integrity) The Company has duly complied with the “Particulars for Procurement Management” approved by the Chairman. For understanding the state of business integrity of the prospective contracting parties, the Company shall announce its determination of business integrity, and specify business integrity into the agreements. In addition, the Company shall request respective suppliers to provide the declaration of business integrity and information on business transactions for reference. In addition, the Company shall also check the legal status of these parties at the website of the court to confirm if there is a history of receiving bribes and/or the offering of illegal political contribution.				

(VII) Where the Company may have established related internal code governing best practice of corporate governance, disclose the means for inquiry: for further information, visit the corporate governance zone of the Company website at <http://www.yuantafutures.com.tw/> and MOPS at <http://mops.twse.com.tw/mops/web/index>, the stock code of the Company is 6023.

(VIII) Vital information that helps to understand the practice of corporate governance of the Company shall be disclosed: for further information, visit the corporate governance zone of the Company website at <http://www.yuantafutures.com.tw/> and MOPS at <http://mops.twse.com.tw/mops/web/index>, the stock code of the Company is 6023.

(IX) Internal control

1. Declaration of internal control: please see page 83 of this annual report.
2. If the internal control policy was reviewed by an external auditor, the report of such a review must be disclosed: none.

(X) Major resolutions from general shareholders' meetings and board of directors meetings during the latest financial year, up to the publication date of this annual report: none.

(XI) Major resolutions of the General Meeting of shareholders and the Board in the most recent year to the date this report was printed.

1. Important resolutions and the implementation of the 2015 general shareholder meeting on May 21, 2015

Subject:	Resolution	Implementation and
Acknowledging the Company's 2014 Business Report and Financial Statements. (The proposal was submitted by the Board of Directors)	This case was voted with 182,772,856 voting rights in favor (including 159,691,349 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 2,846 voting rights not in favor of the case (including 2,846 electronic voting rights). There were 75 electronic voting rights forfeited and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015.
Acknowledging the Company's 2014 Earnings Appropriation. (The proposal was submitted by the Board of Directors)	This case was voted with 182,772,855 voting rights in favor (including 159,691,348 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 2,847 voting right not in favor of the case (including 2,847 electronic voting rights). There were 75 electronic voting rights forfeited and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.	Earnings distribution was completed in accordance with the resolutions reached in the general shareholder meeting, including cash dividend (including cash distribution from paid-in capital) for NT\$6.945 per share that was distributed on June 30, 2015.
The cash dividends of the additional paid-in capital is proposed for discussion. (The proposal was submitted by the Board of Directors)	This case was voted with 182,771,511 voting rights in favor (including 159,690,004 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 2,847 voting right not in favor of the case (including 2,847 electronic voting rights). There were 1,419 electronic voting rights forfeited and 0 voting right invalid. This case is passed according to the resolution reached by voting in the board meeting.	
Partial amendments to the "Memorandum of Association". (The proposal was submitted by the Board of Directors)	This case was voted with 182,771,507 voting rights in favor (including 159,690,000 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 2,851 voting right not in favor of the case (including 2,851 electronic voting rights). There were 1,419 electronic voting rights	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015 and approved by the

	forfeited and 0 voting rights invalid. This case is passed according to the revolution reached by voting in the board meeting.	Ministry of Economic Affairs for registration.
Partial amendments to the “Rules of Procedure for Shareholders Meetings”. (The proposal was submitted by the Board of Directors)	This case was voted with 182,771,507 voting rights in favor (including 159,690,000 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 2,851 voting rights not in favor of the case (including 2,851 electronic voting rights). There were 1,419 electronic voting rights forfeited and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015.
Partial amendments to the “Procedures for Election of Directors”. (The proposal was submitted by the Board of Directors)	This case was voted with 182,770,506 voting rights in favor (including 159,688,999 electronic voting rights), accounting for 97.24% of the total voting rights of the presenting shareholders. There were 3,853 voting right not in favor of the case (including 3,853 electronic voting rights). There were 1,418 electronic voting rights forfeited and 0 voting right invalid. This case is passed according to the revolution reached by voting in the board meeting.	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015.
Subject	Election results and resolution for lifting the non-compete clause (excerpt)	Execution
Please proceed with the election of the Company’s directors (including independent directors) for the 9 th term. (The proposal was submitted by the Board of Directors)	1. The list of the elected directors: Yuanta Financial Holdings Co., Ltd. Representative: Mr. Lin, Tien-Fu; Mr. Ho, Ming-Heng; Ms. Chou, Hsiao-Ling; Ms. Sung, Shiao-Chin; Mr. Kung, Shao-Hsing; Mr. Wang, Chun-Chien 2. The list of the elected independent directors: Mr. Huang, Jung-Hsien; Mr. Lai, Kun-Hung; Mr. Kuo, Tu-Mu	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015. The elected directors took office on May 21, 2015 and registered with the approval of the Ministry of Economic Affairs.
Please discuss the proposal to release the Company’s newly elected directors from the “Non-competition Restrictions for Directors” prescribed in Article 209 of the Company Act. (The proposal was submitted by the Board of Directors)	1. The directors on the list of the non-compete clause lifted are as follows: Mr. Ho, Ming-Heng; Ms. Sung, Shiao-Chin; Mr. Kung, Shao-Hsing 2. The independent directors on the list of the non-compete clause lifted are as follows: Mr. Lai, Kun-Hung	It was published in accordance with the resolutions reached in the general shareholder meeting on May 21, 2015.

2. Major resolutions of the Board of Directors meeting (dated 2015 to February 29,

2016)

Major resolutions of the 36th Meeting of the 8th Board of Directors in January 29, 2015

- (1) Approval of the financial plan of the Company in 2015.
- (2) Approval of the appointment of CPA Lin, Se-Kai, CPA Li Hsiu-Ling, and CPA Hu Chi-Chang, PricewaterhouseCoopers, to audit and certify the Company's financial statements and business income taxes for the year in 2015.
- (3) The proposal for the stipulation of the Company's "Regulations Governing Market Risk," "Regulations Governing Market Liquidity Risk," and "Regulations Governing Credit Risk" was approved.
- (4) The proposal for the stipulation of the Company's 2015 "Market Risk Limit," "Market Liquidity Risk Limit," and "Credit Risk Limit" was approved.
- (5) The proposal for the stipulation of the Company's 2015 "Credit Exposure Limit" was approved.
- (6) The proposal for the amendment of some clauses of the Company's "Regulations Governing Internal Control System Self-inspection" was approved.
- (7) Approval of partial amendments to the "Organizational Code".
- (8) Approval of the partial revision of the "Regulation Governing Direct Investments".
- (9) Approval of an amendment for the Company's "Operational Rules Governing Handling of Transactions Risks Control and Margin Calls".
- (10) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (11) The proposal for the trading of securities and the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.
- (12) The proposal for the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.

Major resolutions of the 37th Meeting of the 8th Board of Directors in February 26, 2015

- (1) Approval of the Company's business plan and strategy development in 2015.
- (2) Approval of the revision of the "Articles of Incorporation" of the Company.
- (3) Approval of the election of the 8th Directors (including independent directors) of the Company.
- (4) Passed the date, place, agenda, accepting shareholder's proposal, and related matters of the 2015 general shareholder meeting.
- (5) Approval of an amendment for the Company's "Directions for the Implementation of Continuing Education for Directors"
- (6) Approval of the Company's 2014 "Declaration of Internal Control Policies".
- (7) Approval of the revision of the "Internal Control System" and the "Enforcement Rules of Internal Audit" of the Company.
- (8) Passed the risk management appropriateness review of the Company's applying to GreTai Securities Market for operating as a leverage transaction merchant.
- (9) Passed the lease renewal of the office space at the headquarters.
- (10) Passed the "Yuanta S&P Goldman Sachs Gold ER Index Stock Futures Trust Fund" offered and issued by the Company's stakeholder, Yuanta Securities Investment Trust Corporation.
- (11) The promotion of the Internal Audit Director was approved.
- (12) The promotion of some of the managers in the headquarters and branches was

approved.

- (13) Approval of the personnel change for appointing and dismissal of the managers of Taichung Branch.

Major resolutions of the 38th Meeting of the 8th Board of Directors in March 25, 2015

- (1) Approval of the Company's business report in 2014.
- (2) Approval of the Company's separate and consolidated financial statements for the year 2014.
- (3) Approval of presentations of "Representations Letter" required by the Company's separate and consolidated financial statements for the 2014 audited by a certified public accountant.
- (4) Approval of the Company's earnings distribution in 2014.
- (5) The proposal for the distribution of the Company's 2014 remuneration to directors and bonus to employees was approved.
- (6) Approval of the case for capital surplus allocation in cash.
- (7) Passed the amendment of the agenda of the Company's 2015 general shareholder meeting.
- (8) Passed the candidates list for the 9th directors (including independent directors) in accordance with the Articles of Association.
- (9) Approval of new Directors of any restrictions imposed in relation to Article 209 of The Company Act – "Prohibition against directors' involvement in competing businesses".
- (10) Approval of the revision of part of the clauses contained in the "Rules of Procedure for Shareholders Meetings".
- (11) Approval of partial amendment for the Company's "Rules for Director Elections".
- (12) Approval of the donation to Polaris Economic Research Center.
- (13) Approval of partial amendments to the "Organizational Code".
- (14) Passed the lease cancellation of Taichung branch office space, relocation, and a new lease.
- (15) Passed the appointment of Ms. Yanling Chen as the manager of the General Planning Department.
- (16) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (17) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.
- (18) Approval of partial amendments to the "Table of Gate Approval" and Table of Gate Approval" of the Company.

Major resolutions of the 39th Meeting of the 8th Board of Directors in April 16, 2015

- (1) Approval of presentations of "Representations Letter" required by the Company's consolidated financial statements for the first quarter in 2015 audited by a certified public accountant.
- (2) Approval of the revision of part of the clauses contained in the "Rules of Procedure for Shareholders Meetings".
- (3) Approval of donation to Yuanta Educational and Cultural Foundation.
- (4) Passed the amendment and cancellation of the "Non-compete clause" against the newly elected independent directors (for the 9th term).

Important resources reached in the 1st extraordinary board meeting of the 9th term on May 21, 2015

- (1) Approval of election for The Company's Chairman.
- (2) Approval of the personnel appointment of the members of the 9th

“Remuneration Committee”.

Major resolutions of the 2th Meeting of the 9th Board of Directors in May 29, 2015

- (1) Approval of the resolution of the distribution record date of cash dividends and capital surplus distributed in cash and remuneration to directors in 2014.
- (2) Passed the adjustment of the remuneration to independent directors.
- (3) Passed the review of the remuneration to the Company’s Chairman.
- (4) Approval of the personnel change in the managers of the Consulting Department.
- (5) Approval of the application with related financial institutions for credit limit.
- (6) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (7) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (8) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.

Major resolutions of the 3rd Meeting of the 9th Board of Directors in June 25, 2015

- (1) Passed the increase of investment in the subsidiary, SYF Information Co., Ltd., and increasing investment in the invested company through the subsidiary and increasing business scope.
- (2) Approval of revising the names of all internal regulations in conformity to the new name.
- (3) Approval of partial amendment for the Company’s “Codes of Ethical Conduct”.
- (4) Approval of the revision of partial amendment for the Company’s “Internal Control System” and the “Enforcement Rules of Internal Audit”.
- (5) Approval of the renewal of the retainer agreement for appointing Giantera International Law Office as the legal counsel.
- (6) Passed the appointment of Mr. Shin-Feng Shen as the Vice President of Leverage Transaction Merchant.
- (7) Approval of the personnel change in the managers of the Company.
- (8) Passed the stock exchange and rename matter.
- (9) Passed the investment of proprietary fund in China new opportunity bond and fund of Yuanta Securities Investment Trust Co., Ltd.

Major resolutions of the 4th Meeting of the 9th Board of Directors in July 28, 2015

- (1) Passed the draft of the Company’s “Rules Governing the Establishment of Ethical Management Committee”.
- (2) Approval of an amendment for part of the Company’s “Rules Governing General Appointing and Dismissal Authorization for Transactions Other Than Credit Extension with Interested Parties Mentioned in Article 45 of Financial Holding Company Act”.
- (3) Approval of the Company’s “Act for Settlement of Customer Disputes”.
- (4) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (5) Passed the sale of newly offered and issued futures trust fund of Yuanta Securities Investment Trust Co., Ltd. to the stakeholders.
- (6) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (7) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.
- (8) Passed the promotion of Junior Vice President, Mr. Min-Long Lee, as the Senior

Vice President.

- (9) Passed the promotion of Mr. Yonghua Chang, Junior Vice President of Proprietary Trade Department, as Vice President.

Major resolutions of the 5th Meeting of the 9th Board of Directors in August 25, 2015

- (1) Approval of the treasury plan after the update in 2015.
- (2) Approval of presentations of “Representations Letter” required by the Company’s consolidated financial statements for the first half of the year in 2015 audited by a certified public accountant.
- (3) Approval of the Company’s individual and consolidated financial statements for the first half of the year in 2015.
- (4) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (5) Approval of the revision of the “Guidelines for Promotional Materials and Advertisement Performed” of the Company.
- (6) Passed the “Regulations Governing Salespersons Remuneration System” of the Company.
- (7) Passed the lease of 4F-1 at Datong Building from Yuanta Securities Co., Ltd., the stakeholder.
- (8) Approval of the personnel change for appointing and dismissal of the managers of some Branch.

Major resolutions of the 6th Meeting of the 9th Board of Directors in September 25, 2015

- (1) Approval of the increase of the previous budget of NT\$600 million to NT\$700 million for mid to long-term investment in securities for enhancing the efficient use of capital of the Company after the merger that gave rise to the increase of paid-in capital and net worth, and the authorization to the “Mid and Ling-Term Securities Investment Team” to perform the task.
- (2) Passed the investment of proprietary fund in the Emerging Indonesia new opportunity bond and fund issued by Yuanta Securities Investment Trust Co., Ltd.
- (3) Approval of the Re-signing with the interested party, Yuanta Securities Co., Ltd. on the “Agreement of Mandate to the Futures Trading Supplementary Service” and “Commission agreement”.
- (4) Approval of the revision of the “Operational Rules Governing Handling of Transactions Risks Control and Margin Calls”.
- (5) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (6) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.
- (7) Approval of the discontinuation of operation at Taipei Branch with the cancellation of business registration.

Major resolutions of the 7th Meeting of the 9th Board of Directors in October 27, 2015

- (1) Approval of presentations of “Representations Letter” required by the Company’s consolidated financial statements for the first quarter in 2015 audited by a certified public accountant.
- (2) Approval of partial amendments to the “Corporate Governance Best-Practice Principles.”
- (3) Passed the engagement in securities borrowing and lending transactions with Yuan Securities Co., Ltd., the stakeholder.

- (4) Passed futures proprietary business with the “Regulations Governing the Selection of Foreign Futures Exchange Futures Contract” stipulated.
- (5) Passed the application filed for leverage margin contract business qualification with the “(Leverage margin contract business)Business Strategy and Operating Standard” stipulated.
- (6) The promotion of some of the managers in the headquarters and branches was approved.

Major resolutions of the 8th Meeting of the 9th Board of Directors in November 24, 2015

- (1) Passed the Company’s “Rules Governing the Application Filed for Temporary Suspension and Resume of Transactions.”
- (2) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (3) Approval of partial amendments to the “Regulations Governing Part-time Associates”.
- (4) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (5) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.
- (6) Approval of the personnel change for appointing and dismissal of the managers of Taichung Branch.

Major resolutions of the 9th Meeting of the 9th Board of Directors in December 24, 2015

- (1) Approval appointed dates in 2016 for monthly meetings of the board of directors.
- (2) Approval of partial amendments to the “Rules Governing the Self-Audit of Directors and the Board.”
- (3) Approval of partial amendments to the “Memorandum of Association”.
- (4) Passed the Company’s “Rules Governing Fund Liquidity Risk.”
- (5) Passed the Company’s “Rules Governing Capital Adequacy.”
- (6) Passed the Company’s 2016 “Capital adequacy limit,” “Market risk limit,” “Market liquidity risk limit,” “Credit risk limit,” “Fund liquidity risk limit,” and “Large amount risk exposure limit.”
- (7) Passed the Company’s partially amended “Money Laundering Prevention and Combating the Financing of Terrorism Guidelines.”
- (8) Passed the Company’s “Assessment of money laundering and financing of terrorism risks prevention plan and policy.”
- (9) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (10) Approval of the establishment of the Company’s 2016 audit plan.
- (11) Passed the Company’s “Rules Governing the Distribution of Bonus to the Executives.”
- (12) Passed the Company’s “Rules Governing the Distribution of Bonus to Employees” amended as “Rules Governing the Distribution of Remuneration to Employees” and the amendment of the clauses.
- (13) Approval of partial amendments to the “Table of Gate Approval” and Table of Gate Approval” of the Company.
- (14) Passed the appropriation increase of operating capital for securities proprietary trading.
- (15) Passed the change of the Company’s leased office.
- (16) Approval of the partial revision of the “Regulation Governing Direct

Investments”.

Major resolutions of the 10th Meeting of the 9th Board of Directors in January 28, 2016

- (1) Approval of the financial plan of the Company in 2016.
- (2) Approval of the appointment of Certified Public Accountant to audit and certify for the year 2016.
- (3) Passed the Company’s partially amended “Money Laundering Prevention and Combating the Financing of Terrorism Guidelines.”
- (4) Passed the application filed for the establishment of the Hsinchu Branch, Tainan Branch, and Kaohsiung Branch; also, for the promotion and solicitation of the business operation related to futures business.
- (5) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (6) Approval of relevant transactions of securities issued by interested parties of trading in Proprietary Trading Department or self-regulatory objects.
- (7) The proposal for the trade of securities and the use of proprietary funds to trade the securities issued by any stakeholders or self-regulatory objects and the transactions linked to the underlying subject was approved.

Major resolutions of the 11th Meeting of the 9th Board of Directors in February 25, 2016

- (1) Approval of the financial plan and development strategy of the Company in 2016.
- (2) Passed the date, place, agenda, accepting shareholder’s proposal, and related matters of the 2016 general shareholder meeting.
- (3) Passed the investment of proprietary fund in Yuanta USD money market securities investment trust fund of Yuanta Securities Investment Trust Co., Ltd.
- (4) Passed the investment of proprietary fund in Yuanta global USD corporate bond securities investment trust fund of Yuanta Securities Investment Trust Co., Ltd.
- (5) Approval of the Company’s 2015 “Declaration of Internal Control Policies”.
- (6) Approval of the revision of the “Internal Control System” and the “Enforcement Rules of Internal Audit” of the Company.
- (7) Approval of the donation to Polaris Economic Research Center.
- (8) Passed the donation of NT\$2.5 million to help with the earthquake took place in southern Taiwan on February 6.

All shareholders meeting and Board of Directors meeting resolutions above were implemented after they were passed. There had been no issues with their progress.

(XII) Documented opinions or declarations made by Directors or Supervisors against Board of Directors resolutions in the most recent year, up until the publishing date of this annual report: none.

(XIII) Resignation or discharge of persons related to financial reporting (including the Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, and Chief F&D Officer) in the most recent year to the date this report was printed: none.

Note: The persons related to as referred to in this context are the Chairman, President, Chief Accounting Officer, Chief Financial Officer, Chief Internal Auditor, and Chief F&D Officer.

V. Disclosure of CPAs' remuneration

The Company makes individual disclosures of audit remuneration

Unit: NT\$ thousand

Auditor's firm	Name of CPA	Audit remuneration	Non-audit remuneration					CPA auditing period	Remarks
			Policy design	License registration	Human resource	Others (Note)	Subtotal		
PwC Taiwan	Ms. Lin, Sekai	1,730	0	0	0	140	140	2015 (2015/01/01~2015/12/31)	The secondary review fees for the transfer pricing report and financial information reported to foreign exchanges
	Ms. Li, Xiou-Ling								

Note 1: If there is any CPA or CPA Firm being replaced in current year, the auditing period should be indicated separately and the reason for such replacement should be detailed in the remark column; also, the information regarding the audit and non-audit fee paid should be disclosed.

Note 2: non-audit remuneration should be listed separately by service category. If the "Other" category amounts to 25% of total non-audit remuneration, then services must be detailed in the remarks column.

- (I) Remuneration of non-audit services to CPAs, CPAs' firm and its affiliated companies that exceed one quarter of audit remuneration: **none**.
- (II) If a change in accounting firm resulted in a lower audit remuneration for that year compared to the previous year, the amount, percentage, and reason of the reduction must be disclosed: **none**.
- (III) If the audit remuneration was reduced by more than 15% from the previous year, the amount, percentage, and reasons for the reduction must be disclosed: **none**.

VI. Change of CPA: **none**.

VII. Any of the Company's Chairman, General Manager, or managers involved in financial or accounting affairs being employed by the auditor's firm or any of its affiliated company within the recent year; disclose their names, job titles, and the periods during which they were employed by the auditor's firm or any of its affiliated company: **none**.

VIII. Shareholding transfers and share collateralization within the latest year, up until the publication date of this annual report, initiated by directors, managers and shareholders with more than 10% ownership interest

- (I) Shareholding transfers and changes in shares collateralized

Unit: shares

Title	Name	2015		Up until February 29, 2016	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Director and major shareholder	Yuanta Financial Holding Co., Ltd.	0	0	0	0
Chairman	Mr. Lin, Tien-Fu (Re-elected on May 21, 2015)	0	0	0	0

Title	Name	2015		Up until February 29, 2016	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Director representative	Ms. Chou, Hsiao-Ling(Re-elected on May 21, 2015)	(186,000)	0	0	0
Director representative	Mr. Ho, Ming-Hong (Re-elected on May 21, 2015)	0	0	0	0
Director representative	Mr. Yu, Yao-Tin (Ended on May 20, 2015)	0	0	0	0
Director representative	Mr. Chen, Hsiu-Wei (Ended on May 20, 2015)	0	0	0	0
Director representative	Mr. Kung, Shao-Hsing (Onboard on May 21, 2015)	0	0	0	0
Director representative	Ms. Sung, Shiao-Chin (Re-elected on May 21, 2015, Discharged on July 16, 2015)	(4,000)	0	0	0
Director representative	Mr. Wang, Chun-Chien (Onboard on May 21, 2015, Discharged on July 16, 2015)	0	0	0	0
Director representative	Ms. Chen, Hsiu-Mei (Onboard on July 16, 2015)	0	0	0	0
Director representative	Mr. Kuo, Yu-Hong (Onboard July 16, 2015)	0	0	0	0
Independent Director	Mr. Huang, Jung-Hsien (Onboard on May 21, 2015)	0	0	0	0
Independent Director	Mr. Lai, Kun-Hung (Re-elected on May 21, 2015)	0	0	0	0
Independent Director	Mr. Yeh, Shao-Wee (Ended on May 20, 2015)	0	0	0	0
Independent Director	Mr. Kuo, Tu-Mu (Onboard July 16, 2015)	0	0	0	0
General Manager	Ms. Chou, Hsiao-Ling	0	0	0	0
Executive Vice President	Mr. Kuo, Yu-Hong	0	0	0	0
Senior vice president	Ms. Tsai, Chia-Ling	0	0	0	0
Senior vice president	Mr. Hsu, Kuo-Chun	(119,000)	0	0	0
Senior vice president	Mr. Lai, Sheng-Tang	0	0	0	0
Vice President Accounting Supervisor	Yu-Cheng Chou	0	0	0	0
Vice President	Mr. Kao, Yi-Jui	0	0	0	0
Vice President	Ms. Li, Jing-Ru (Resigned on October 1, 2015)	0	0	0	0
Senior Assistant Vice Presidents (Audit Director)	Wen-Fang Wu	0	0	0	0
Senior Assistant Vice Presidents	Ching-Yee Chang	0	0	0	0
Senior Assistant Vice Presidents	Lee-Ling Chien	0	0	0	0

Title	Name	2015		Up until February 29, 2016	
		Increase (decrease) in shares held	Increase (decrease) in shares collateralized	Increase (decrease) in shares held	Increase (decrease) in shares collateralized
Senior Assistant Vice Presidents	Li, Min-Lung	0	0	0	0
Senior Assistant Vice Presidents	Chen, Yan Ling (Onboard on April 1, 2015)	0	0	0	0
Assistant Manager	Cheng-Kang Wu	0	0	0	0
Assistant Manager (Chief Financial Officer)	Liang-Huei Yuan	0	0	0	0
Assistant Manager	Chang, Chun-Hao	0	0	0	0
Senior Managers	Mo-Ju Song	(6,000)	0	0	0
Senior Managers	Chen, Yu-Hong	0	0	0	0
Senior Managers	Chang Lin-Chung (Onboard on June 1, 2015)	0	0	0	0
Managers,	Mr. Hu, Chia-Hui	0	0	0	0
Managers,	Lin, Hsuan-Hsiang	0	0	0	0
Manager	Sheng-Wei Wu	0	0	0	0
Manager	Mr. Shin Feng Shen (Onboard on July 1, 2015)	0	0	0	0
Manager	Chang Yung-Hua (Onboard on August 1, 2015)	0	0	0	0
Manager	Mao Wei-Ji (Resigned on November 1, 2015)	0	0	0	0
Branch Manager	Shi-Qing Wang	(3,000)	0	0	0
Branch Manager	Huang Min-Jun (Dismissed on March 1, 2015)	0	0	0	0
Branch Manager	Mr. HSIEH, Fu-Chieh (Onboard on March 1, 2015, Discharged on December 1, 2015)	0	0	0	0
Branch Manager	Chen, Tsung Hsiang (Onboard on July 1, 2015)	0	0	0	0
Branch Manager	Hung-Chung Lee (Resigned on September 1, 2015)	0	0	0	0
Branch Manager	Wang, Guo-Liang (Onboard on September 1, 2015)	0	0	0	0
Branch Manager	Hao-Hsiang Chang (Discharged on November 1, 2015)	0	0	0	0
Branch Manager	Liu, Feng An (Onboard on December 1, 2015)	0	0	0	0

Note 1: The Company has phased out the seats of supervisors since May 23, 2012 and related information was disclosed to the date the supervisors were resigned (discharged).

Note 2: If the counterparty for equity transfer or equity pledge is a related party, please fill out the form referred to below.

(II) Transfer of shareholding

Name	Reason for transfer	Transaction date	Counterparty	Counterparty's relationship with The Company, Directors, Supervisors, and shareholders with more than 10% ownership interest	Shares	Transaction price
Not a counterparty						

(III) Shares collateralized

Name	Reason for change in collateralized shares	Date of change	Counterparty	Counterparty's relationship with The Company, Directors, Supervisors, and shareholders with more than 10% ownership interest	Shares	Shareholding percentage	Percentage placed as collateral	Amount secured (redeemed)
None								

IX. Relationships among the Company's top ten shareholders including spouses, second degree relatives or closer

Date of information: March 19, 2016

Name	Shares Held In Own Name		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2 nd tier under the Civil Code, and the name and affiliation, if applicable.		Remarks
	Shares (Thousand Shares)	Shareholding percentage	Shares (Thousand Shares)	Shareholding percentage	Shares (Thousand Shares)	Shareholding percentage	Name	Relationship	
Yuanta Financial Holding Co., Ltd. Representative: Mr. Wang, Jung-Chou	159,467	68.65%	0	0	0	0	None	None	None
Mercuries Life Insurance Co. Ltd. Representative: Ms. Chen, Hsiang-Chieh	19,961	8.59%	0	0	0	0	None	None	None
ROSENTHAL COLLINS	16,721	7.20%	0	0	0	0	None	None	None

Name	Shares Held In Own Name		Shareholdings of spouse and underage children		Shares held in the names of others		Among the top 10 shareholders, there are related parties, spouse to each other, and kindred within the 2 nd tier under the Civil Code, and the name and affiliation, if applicable.		Remarks
	Shares (Thousand Shares)	Shareholding percentage	Shares (Thousand Shares)	Shareholding percentage	Shares (Thousand Shares)	Shareholding percentage	Name	Relationship	
GROUP LTD Representative: Mr. Yen, Chao-Yu	0.4	0.00%	0	0	0	0	None	None	None
Nan Shan Life Insurance Co. Ltd. Representative: Tu, Ying-Tsung	2,377	1.02%	0	0	0	0	None	None	None
	0	0	0	0	0	0	None	None	None
MF Global Overseas Ltd.	2,257	0.97%	0	0	0	0	None	None	None
HSBC entrusted with Goldman Sachs International investment accounts	1,510	0.65%	0	0	0	0	None	None	None
Mao-Lang Huang	765	0.33%	0	0	0	0	None	None	None
Deutsche Bank Taipei Branch entrusted with Taiwan Opportunities Fund investment accounts	640	0.28%	0	0	0	0	None	None	None
HSBC entrusted with Morgan Stanley International Limited accounts	577	0.25%	0	0	0	0	None	None	None
Lin Chun-Feng	420	0.18%	0	0	0	0	None	None	None

- X. Investments jointly held by the Company, the Company's directors, managers, and enterprises directly or indirectly controlled by the Company. Calculate shareholding in aggregate of the above parties:

Unit: thousand shares

Invested businesses	Invested by The Company		Held by directors, supervisors, managers, and directly or indirectly controlled enterprises		Aggregate investment	
	Shares	Shareholding percentage	Shares	Shareholding percentage	Shares	Shareholding percentage
MF G Investment Consulting Co., Ltd.	1,367	33.33%	-	-	1,367	33.33%
Yuanta Futures (Hong Kong) Limited	6,000	100%	-	-	6,000	100.00%
SYF Information Co., Ltd.	35,000	100%	-	-	35,000	100.00%
SYF Information (SAMOA) Limited	1,000	100%	-	-	1,000	100.00%
SYF Information (Shanghai) Limited	-	100%	-	-	-	100.00%

Note: The Company's investment in the equity method.

Yuanta Futures Co., Ltd.

Declaration of Internal Control Policies

Date: February 25, 2016

The following declaration is based on the 2015 self-assessment over The Company's internal control policies:

- I. The Company is aware that the establishment, execution, and maintenance of its internal control policies are the responsibilities of the Company's board of directors and managers. These policies were implemented throughout the Company. The purposes of these policies are to provide reasonable assurance towards business performance and efficiency (including profitability, performance, and asset security etc), reliable financial reporting, regulatory compliance and other goals.
- II. Internal control policies are prone to limitations. No matter how robustly designed, effective internal control policies merely provide reasonable assurance to the achievements of the three goals above. Furthermore, environmental and situational changes may affect the effectiveness of internal control policies. However, self-supervision measures were implemented within the Company's internal control policies to facilitate immediate rectification once procedural flaws have been identified.
- III. The Company evaluates the effectiveness of its internal control policy design and execution based on the criteria specified in "Regulations Governing the Establishment of Internal Control Systems by Service Enterprises in Securities and Futures Markets" (hereinafter referred to as "The Governing Principles"). The criteria introduced by "The Governing Principles" consisted of five major elements, each representing a different stage of internal control: 1. Control environment, 2. Risk evaluation and response, 3. Procedural control, 4. Information and communication, 5. Supervision. Each element further contains several items. Please refer to "The Governing Principles" for details.
- IV. The Company adopted the abovementioned criteria to validate the effectiveness of its policy design and execution.
- V. Based on the assessment results above, the Company considered the design and execution of its internal control policies to be effective as at December 31, 2015; these policies (including the supervision and management over subsidiaries) had enabled timely knowledge towards business results, target accomplishments, reliable financial reporting, and compliance to regulations.
- VI. Legal implications of this declaration:
 - (I) Any illegal misrepresentation or non-disclosure relating to the above declaration are subject to the legal consequences under Article 115 of the Futures Trading Act.
 - (II) This declaration forms part of the main contents of the Company's annual report and prospectus, and shall be disclosed to the public. Any illegal misrepresentation or non-disclosure relating to the public statement above are subject to the legal consequences under Articles 20, 32, 171, and 174 of the Securities Exchange Act.
- VII. This declaration was approved by the Company's Board of Directors in the meeting dated February 25, 2015. None of the 7 directors present to the meeting held any objections, and had unanimously agreed to the contents of this declaration.

Yuanta Futures Co., Ltd.

Chairman: _____ (Signature)

General Manager: _____ (Signature)

Four. Funding Status

I. Capital and outstanding shares

(I) Share category

February 29, 2016; unit: shares

Share category	Authorized capital				Remarks
	Outstanding shares	Treasury stock	Unissued shares	Total	
Registered ordinary shares	232,276,288	-	17,723,712	250,000,000	-

(II) Share capital composition

Unit: thousand shares; NT\$ thousand

Year / month	Issue price	Authorized capital		Paid-up capital		Remarks		
		Shares	Amount	Shares	Amount	Source of capital	Paid in properties other than cash	Others
1997.04	10	20,000	200,000	20,000	200,000	Initial share capital \$200 thousand dollars	-	Note 1
1998.02	10	50,000	500,000	50,000	500,000	Cash issue totaling 300,000 thousand dollars	-	Note 2
1998.05	10	60,000	600,000	60,000	600,000	Cash issue totaling 100,000 thousand dollars	-	Note 3
1999.07	10	61,500	615,000	61,500	615,000	Cash issue totaling 15,000 thousand dollars	-	Note 4
2000.08	10	63,000	630,000	63,000	630,000	Cash issue totaling 15,000 thousand dollars	-	Note 5
2003.09	10	109,580	1,095,800	109,580	1,095,800	Cash issue for merger \$465,800 thousand	Issued new shares for the merger with Refco Taiwan Co., Ltd.	Note 6
2003.11	10	64,500	645,000	64,500	645,000	Capital reduction totaling 450,800 thousand dollars	None	Note 7
2005.07	10	90,000	900,000	72,240	722,400	Capitalization of retained earnings totaling 77,400 thousand dollars	None	Note 8
2006.07	10	90,000	900,000	80,186	801,864	Capitalization of retained earnings totaling 79,464 thousand dollars	None	Note 9
2007.07	10	200,000	2,000,000	95,101	951,011	Capitalization of retained earnings totaling 149,147 thousand dollars	None	Note 10

2007.07	10	200,000	2,000,000	97,483	974,826	Employees' stock bonus totaling 23,815 thousand dollars	None	Note 10
2007.10	10	200,000	2,000,000	109,673	1,096,726	Cash issue totaling 121,900 thousand dollars	None	Note 11
2008.07	10	200,000	2,000,000	128,536	1,285,363	Capitalization of retained earnings totaling 188,637 thousand dollars	None	Note 12
2008.07	10	200,000	2,000,000	131,276	1,312,763	Employees' stock bonus totaling 27,400 thousand dollars	None	Note 12
2012.01	10	250,000	2,500,000	232,276	2,322,763	Cash issue for merger \$1,010,000 thousand	Acquisition of Yuanta Futures for the issuance of new shares	Note 13

Note 1: Approved under Notice (1997) Tai-Tsai-Cheng-(5)-47814 dated 1997.04.09.

Note 2: Approved under Notice (1997) Tai-Tsai-Cheng-(5)-88889 dated 1997.12.08.

Note 3: Approved under Notice (1998) Tai-Tsai-Cheng-(7)-28749 dated 1998.04.16.

Note 4: Approved under Notice (1999) Tai-Tsai-Cheng-(7)-54910 dated 1999.06.11.

Note 5: Approved under Notice (2000) Tai-Tsai-Cheng-(7)-59655 dated 2000.07.12.

Note 6: Approved under Notice Tai-Tsai-Cheng-7-0920137311 dated 2003.08.18.

Note 7: Approved under Notice Tai-Tsai-Cheng-7-0920154137 dated 2003.11.14.

Note 8: Approved under Notice Jin-Guan-Cheng-7-0940128511 dated 2005.07.19.

Note 9: Approved under Notice Jin-Guan-Cheng-7-0950129316 dated 2006.07.28.

Note 10: Approved under Notice Jin-Guan-Cheng-7-0960038332 dated 2007.07.18.

Note 11: Approved under Notice Jin-Guan-Cheng-7-0960057731 dated 2007.10.17.

Note 12: Approved under Notice Jin-Guan-Cheng-7-0970032354 dated 2008.06.30.

Note 13: Approved under Notice Jin-Guan-Cheng-7-1000064718 dated 2012.01.16.

(III) Ownership diversification

1. Shareholders structure

Face value at ten dollars per share; the base date: March 19, 2016

Shareholders structure	Number of shareholders	Number of shares held (shares)	Shareholding percentage (%)
Investment of government agency	0	0	0
Investment of domestic financial institution	3	22,518,000	9.69
Investment of domestic securities investment trust fund	0	0	0
Investment of domestic institutional investor	22	176,871,011	76.15
Investment of domestic other institutional investors	3	6,641	0
Investment of foreign financial institution	1	89,000	0.04
Investment of foreign institutional investors	1	2,256,674	0.97
Investment of foreign securities investment trust fund	10	3,364,000	1.45
Investment of domestic natural person	11,048	27,098,988	11.67
Investment of foreigner with ROC identity card	2	48,052	0.02
Investment of people in Mainland China	0	0	0
Investment of investment institutions in Mainland China	0	0	0
Investment of foreign natural person	7	23,922	0.01
Total	11,097	232,276,288	100.00

Note: All TSE/GTSM/Emerging Stock Market companies listing for the first time are required to disclose their percentage of Chinese investors' interest. A Chinese investor refers to an individual, corporation, organization, or institution of Mainland origin, or an investment company in a foreign location used by which to invest into Taiwan, as defined in Article 3 of the Regulation Governing Mainland Residents' Investment in Taiwan.

2. Ownership diversification

(1) Ordinary shares Face value at ten dollars per share; the base date: March 19, 2016

Shareholding range	Number of shareholders	Number of shares held (shares)	Shareholding percentage (%)
1 to 999	6,266	152,590	0.07
1,000 to 5,000	3,878	7,748,156	3.34
5,001 to 10,000	454	3,656,010	1.57
10,001 to 15,000	156	2,012,091	0.87
15,001 to 20,000	113	2,102,312	0.91
20,001 to 30,000	93	2,418,528	1.04
30,001 to 40,000	34	1,221,657	0.53
40,001 to 50,000	27	1,263,380	0.54
50,001 to 100,000	44	3,242,614	1.4
100,001 to 200,000	17	2,279,000	0.98
200,001 to 400,000	4	1,084,000	0.47
400,001 to 600,000	3	1,398,000	0.6
600,001 to 800,000	2	1,404,712	0.6
800,001 to 1,000,000	0	0	0
1,000,001 and above	6	202,293,238	87.08
Total	11,097	232,276,288	100.00

(2) Preference shares: **none.**

3. List of major shareholders

Base date: March 19, 2016

Name of major shareholder	Shareholding	Number of shares held (shares)	Shareholding percentage (%)
Yuanta Financial Holding Co., Ltd.		159,467,282	68.65%
Mercuries Life Insurance Co. Ltd.		19,961,000	8.59%
ROSENTHAL COLLINS GROUP LTD		16,721,282	7.20%
Nan Shan Life Insurance Co. Ltd.		2,377,000	1.02%
MF Global Overseas Ltd.		2,256,674	0.97%
HSBC entrusted with Goldman Sachs International investment accounts		1,510,000	0.65%
Mao-Lang Huang		764,712	0.33%
Deutsche Bank Taipei Branch entrusted with Taiwan Opportunities Fund investment accounts		640,000	0.28%
HSBC entrusted with Morgan Stanley International Limited accounts		577,000	0.25%

Lin Chun-Feng	420,000	0.18%
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(IV) Market price, net worth, earnings, and dividends per share, and other relevant information for the last two years

Unit: NT\$; shares

Item		Year	2014 (After adjustment)	2015	Year-to-date March 1, 2016
Market price per share (Note 1)	Highest		38.00	54.60	38.75
	Lowest		32.50	31.60	34.95
	Average		32.82	45.27	36.37
Net worth per share (Note 2)	Before dividend distribution		32.07	29.18	-
	After dividend distribution		25.134	26.90 (Note 9)	-
Earnings per share	Weighted average outstanding shares		232,276,288	232,276,288	232,276,288
	Earnings per share (Note 3)	Before adjustment	3.75	3.35	-
		After adjustment	3.75	3.35 (Note 9)	-
Dividends per share	Cash dividend		2.64 (Note 7)	2.28 (Note 9)	-
	Stock dividends	-	-	-	-
		-	-	-	-
Cumulative undistributed dividends (Note 4)			-	-	-
Analysis of investment returns	P/E ratio (Note 5)		8.75	13.51	-
	Price to dividends ratio (Note 6)		4.73	19.86 (Note 8)	-
	Cash dividend yield (Note 7)		8.04%	5.04% (Note 8)	-

Note 1: List the highest and lowest share price in each year, and calculate the average market price by weighing transacted prices against transacted volumes.

Note 2: Please calculate based on the number of outstanding shares at year-end, and detail the amount of distribution resolved in next year's shareholders meeting.

Note 3: If stock dividends are issued, make retrospective adjustments while disclosing EPS before and after the adjustments.

Note 4: If equity securities are issued with terms that allow dividends to be accrued and accumulated until the year the Company makes a profit, then the amount of cumulative undistributed dividends up until the current year must be disclosed separately.

Note 5: P/E ratio = Average closing price per share for the year / earnings per share.

Note 6: Price to dividend ratio = Average closing price per share for the year / cash dividends per share.

Note 7: Cash dividend yield = Cash dividend per share / average closing price per share for the current year. Applied the additional paid-in capital in 2014 to distribute cash dividend for NT\$4.305 per share with a total of NT\$6.945 per share.

Note 8: The 2015 earnings appropriation is subject to approval during the annual general meeting on May 18, 2016.

Note 9: The figures for distribution resolved by the Board on March 24, 2016 pending on the final decision of the General Meeting of shareholders.

Note 10: Net worth per share and earnings per share should be based on audited (auditor-reviewed) data as at the latest quarter before the publishing date of this annual report. For all other fields, data

should be provided as at the end of their respective years.

(V) The Company's dividend policies and execution

1. Dividend policies stated in the Company's Memorandum of Association

In response to the Article 235 amendment and Article 235.1 addition of the Company Law on May 20, 2015, upon the amendment of the Articles of Association resolved in the general shareholder meeting on May 18, 2016, the Company's dividend policy will be enforced in accordance with Article 29 of the Articles of Association, namely the Company's annual earnings, if any, after paying taxes, making up losses, and distributing earnings, should be applied to have 10% legal reserve and 20% special reserve appropriated. The remaining balance thereafter plus the unappropriated earnings of prior periods should be distributed as proposed by the board of directors and resolved in the shareholder meeting. The appropriation of the legal reserve referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital.

The Company optimizes its dividend policy to ensure long-term financial stability while satisfying the needs for future growth, and thereby maximizing shareholders' interests. Detailed rules are as follows: (1) The amount distributed as dividends must not be lower than 50% of distributable earnings. (2) The Company may decide the weight of dividends issued in cash and in shares based on its business operations and capital requirements projected for the next year. However, cash dividends must not be lower than 30% of all dividends issued.

2. Dividend distribution proposed for the next annual general meeting

The Company's 2015 earnings distribution proposal was resolved in the board meeting on March 24, 2016, of which, shareholder's cash dividends amounted to NT\$529,589,937 (NT\$2.28 per share) that will be discussed in the general shareholder meeting on May 18, 2016. Once it is resolved in the shareholder meeting, the Board of Directors will be authorized to schedule the base line date for dividend distribution.

(VI) Impacts on business performance and earnings per share if the stock dividend proposal is approved during the annual general meeting

It is not applicable for this shareholders' meeting since no stock dividend issuance for proposed distribution.

(VII) Employee compensation and remuneration to directors

1. Proportion or range of employee compensation and director remuneration specified in the Memorandum of Association:

In response to the Article 235 amendment and Article 235.1 addition of the Company Law, the Company's 2015 remuneration to employees will be distributed once the amendment of the Articles of Association is resolved in the general shareholder meeting on May 18, 2016. Article 29 Paragraph 1 and Paragraph 2 of the Company's Articles of Association will be amended as: "The Company's annual earnings, if any, after paying taxes, making up losses, and distributing earnings, should be applied to have 10% legal reserve and 20% special reserve appropriated. The remaining balance thereafter plus the unappropriated earnings of prior periods after reserving part of the earnings as necessary fund for business growth should be appropriated as shareholders' dividend and bonus. The appropriation of the legal reserve referred to in the preceding paragraph can be exempted when it is equivalent to the Company's paid-in capital." (Paragraph 1) The Company will appropriate an amount equivalent to 0.01% ~ 5% of the annual net income (net income before tax and

before deducting the remuneration to employees), if any, net of accumulated losses as remuneration to employees, as incentive to the employees and management team. (Paragraph 2)

In addition, according to the amendment of the Articles of Association, the Company has no longer distributing remuneration to directors since the year of 2015.

2. The accounting treatment for the difference, if any, among the current estimated compensation to employees and remuneration to directors, the number of shares applied for the calculation of stock dividend, the actual distribution amount, and the estimated amount: **There is no difference.**
3. Employees compensation resolved by the Board of Directors:

The Company concluded a surplus in 2015, for which the Board of Directors has resolved on March 24, 2016 to distribute in the following manner:

Item	Distribution proposed by the Board of Directors
(1) Distribution (unit: NT\$)	
Employees' cash compensation (no share-based compensation were paid this year)	\$ 3,071,901
(2) Earnings per share: (unit: NT\$)	
Earnings per share	\$ 3.35

The difference among the cash compensation of employees, the stock dividend amount, and expense amount recognized different from the annual estimated amount, the amount of difference, causes, and process: **There is no difference.**

4. Employees' bonus and Directors' and Supervisors' remuneration made in the previous year (2014):

Item	Amount resolved during the shareholders meeting and the Board of Directors meeting
(1) Distribution (unit: NT\$)	
Employees' cash bonus	\$ 2,889,803
Remuneration to directors	\$ 700,000
(2) Earnings per share: (unit: NT\$)	
Earnings per share	\$ 3.75

Differences between the estimated and the actual amount of employees' bonus or Directors' remuneration; and the causes and solutions for such differences: **no difference.**

5. All information pertaining employees' bonus and remuneration to Directors has been disclosed on the Market Observation Post System. To inquire, please access <http://mops.twse.com.tw/mops/web/index> and click "Shareholders meeting and Dividends", followed by "AGM and Dividends - Proposed by the Board of Directors" or "AGM and Dividends - Resolved during the AGM"; input the proper search criteria (which is the Company's stock code: 6023).

(VIII) Shares repurchased by The Company: **none.**

- II. Disclosure relating to corporate bonds: **none.**
- III. Disclosure relating to preference shares: **none.**

- IV. Disclosure relating to depository receipts: **none**.
- V. Employee stock warrants: **none**.
- VI. The new shares from restricted employee stock option: **none**.
- VII. Disclosure on new shares issued in exchange of other company shares:
 - (I) The following disclosures are applicable for any issuance of new shares in exchange of other company shares during the latest year, up until the publication date of this annual report: not applicable.
 - 1. Yuanta Futures: **none**.
 - 2. Subsidiaries of Yuanta Polaris Futures: **none**.
 - (II) For any issuance of new shares in exchange of other company shares resolved by the board of directors during the latest year, up until the publication date of this annual report, describe the latest progress and the basic information of the acquired company (or the Company from whom shares are exchanged in return). For new shares that are currently being issued in exchange of other company shares, the progress and impacts to shareholders' equity must be disclosed:
 - 1. Yuanta Futures: **none**.
 - 2. Subsidiaries of Yuanta Polaris Futures: **none**.
- VIII. Progress on the use of funds:
 - (I) Plan: **not applicable**.
 - (II) Progress: **not applicable**.

Five. Business performance

I. Content of business Yuanta Futures Co., Ltd.

(I) Business scope

Yuanta Polaris Futures is a futures commission merchant specialized in brokerage, proprietary trading, consultation, futures management, and, leverage transaction merchant; it offers various services including hedging, speculation, arbitrage etc. The following are The Company's principal business activities:

1. Principal business activities:

- (1) Futures brokerage.
- (2) Proprietary futures trading.
- (3) Futures consultation services.
- (4) Futures management.
- (5) Futures clearing and settlement, and clearing and settlement service.
- (6) Proprietary securities trading.
- (7) Securities introducing agency.
- (8) Leverage Transaction Merchants.
- (9) Other business functions approved by the competent authority.

2. Business weightage

Unit: NT\$ thousand; %

Item \ Year	2015	
	Operating revenues	Ratio (%)
Brokerage commission	2,715,679	93%
security commission earned	3,398	0%
Settlement and clearance fees	90,325	3%
Net gains in the derivative financial instruments	121,807	4%
Management fee income	0	0%
Consultancy fee income	13,770	1%
Other operating revenue	-15,050	-1%
Total	2,929,929	100%

Source: consolidated audited financial statements

3. The Company's current products (services)

- (1) Futures brokerage
 - ① Consigned trading of futures and options contracts over Taiwan Futures Exchange.
 - ② Consigned trading of U.S., Singaporean, Japanese, Hong Kong, and European futures and options.
- (2) Proprietary futures trading

- ① Proprietary trading of domestic and offshore futures/options.
 - ② Market-making for futures and options to create liquidity.
 - (3) Futures consultation
 - ① Provides analyses, opinions, or recommendations on futures trading, futures trust funds, the underlying, or any other instruments or investments approved by the competent authority.
 - ② Makes futures related publications.
 - ③ Organizes futures related seminars and campaigns.
 - (4) Futures management
 - ① Offers discretionary futures trading services.
 - ② foreign currency margin trading.
 - (5) Futures clearing and settlement, and clearing and settlement service.

To provide services such as clearing and settlement operations, and the performance guarantee of futures transactions, which are executed via Futures centralized futures exchange market.
 - (6) Proprietary securities trading
 - ① Proprietary trading of securities listed on Taiwan Stock Exchange.
 - ② Proprietary trading of securities within business premise.
 - (7) Futures introducing broker
 - ① Commissioned by securities firms to solicit investors into securities trading.
 - ② Accepts investors' account opening applications on behalf of securities firms.
 - ③ Accepts securities trade orders from investors and forwards them to securities firms for execution.
 - ④ Informs investors of settlement matters on behalf of securities firms.
 - (8) Leverage Transaction Merchants.
4. Planned developments for new products (services)
- The expansion of futures business is targeting on offering asset management products with absolute returns, low volatility, high Sharpe ratios, and low correlation with traditional stock and bond investment; also, committed to providing institutional investors and general investors with new era wealth management channels.

(II) Industry overview

1. Current industry conditions

(1) Existing market participants

As of the end of 2015, the participation of the Company in futures market included brokerage with 15 commission futures merchants with 33 locations, and another 19 financial institutions running commission futures merchant operation with 142 locations. The Company also has business transactions with 49 future introducing brokers with 827 locations. In the area of proprietary trade, the Company has worked with 10 futures firms and 22 financial institutions running proprietary futures trade. In terms of leverage transaction merchant, the Company had become the first and only leverage transaction merchant in Taiwan in 2015. In the area of clearing and settlement, the Company has 22 general clearing members and 10 individual clearing members. 9 clearing banks, and 34 futures consulting firms, and 8 futures brokerage firms (including financial institutions dealing with futures brokerage business), 9 futures trust services (running futures brokerage business).

Among the above classifications, the Company is a specialized futures commission merchant, a specialized proprietary trader, an ordinary clearing member, a composite futures consultation firm, a composite futures management firm and leverage transaction merchants. In addition, in terms of brokerage, the Company has a total of 20 future introducing brokers, including Yuanta Securities, respectively, Da-Din Securities, Cosmos Securities, Shinfan Securities, Fengnong Securities, Fengdeh Securities, Jih-Mao Securities, Easytrade Securities, Reliance Securities, Yung Shin Securities, Boom Securities, Kuanzho Securities, Jingang Securities, Yingyi Securities, iNG Securities, Quan Thai Securities, Taichung Bank Securities, Sunny Securities, Union Securities and Primasia. There are 6 clearing houses: Yuanta Securities, Optiver Securities Trading, Optiver Futures Brokerage Department, Oriental Securities, Oriental Securities Trading, Shin Kong Securities.

(2) Customer structure

For the overall futures market of Taiwan, new trading systems were introduced due to the global economic recovery in 2015 driven by the growing US economy and the launch of new products of the Taiwan Futures Exchange. According to the statistics of the Taiwan Futures Exchange, the trade volume of Taiwan futures market was over 264,490,000 units in 2015, representing 30.67% growth from the 202,410,000 units in 2014.

In recent years, the competent authorities, the Taiwan Futures Exchange and the futures industry are committed to develop institutional investors market that will effectively help expand the size and liquidity of the futures market, and gradually have the market structure transformed from a shallow retail market to an institutional investors effective market and linked to international market to attract international investors to participate. According to the statistics of the Taiwan Futures Exchange by the end of 2015, 1,613,705 accounts were opened by natural persons, representing a 4% growth from the 1,551,700 accounts by the end of 2014. There were 9,694 accounts opened by institutional investors, representing a 2.47% growth from the 9,460 accounts by the end of 2014. There were a total of 1,623,399 accounts opened, representing a 3.99% growth from the 1,561,160 accounts by the end of 2014.

2. Industry development

(1) Market participants' trends

In terms of business development, most market participants have more or less matured, except for proprietary traders that may still have room for growth given their cost and technological advantages. In general, the development of the futures IB firms tended to be polarized. The big firms have been getting bigger while the small firms were shrinking. This is particularly the case if the futures firms are subsidiaries of financial holding companies, which have demonstrated their strong performance.

Due to the influence and misleading of the wording "leverage," the public thought the futures industry was with high-risk. In fact, from the overall performance of the futures industry in Taiwan in 2015, the 15 futures commission merchants were all profitable. From the viewpoint of corporate operation, the futures industry is a financial industry with stable profitability because both long-sale and short-sale are idealistic; also, futures industry is the one and only industry that is not affected by economy.

(2) Trend in customer structure

In the current customer structure, institutional traders still accounted a low percentage. For this reason, the Taiwan Futures Exchange Corporation has made extensive efforts in promoting institutional hedging accounts and organized seminars to inspire corporate involvements in the futures market. As for natural persons in general, due to the continuing development of new products in the futures market, promoting new systems, lifting relevant trading qualifications laws, as well as the industry's striving to propose a positive and effective marketing program, the number of new accounts has been growing stably in recent years.

3. Association between upstream, midstream, and downstream industry participants

The primary function of a futures commission merchant is to supply derivative instruments into the market, whether the underlying assets are shares, foreign currencies, interest rates, agricultural commodities, precious metal, or energy. These instruments allow commodity suppliers or buyers to lock in their prices during volatile times, so that that can transfer price risks within the futures market and run their businesses with more certainty. Therefore, the futures market is where hedgers, speculators, and arbitragers transact for their own causes, and is necessary to achieving free market economy. The futures market does not have upstream, mid-stream, or downstream connections as does manufacturing.

4. The development trends for each product

In terms of futures market in Taiwan, the Taiwan Futures Exchange had introduced several new instruments in 2015 in response to the vigorous development of Taiwan's offshore RMB market. For meeting investor's demands for investment and hedging, the Taiwan Futures Exchange had launched two "RMB Currency Futures – USD/CNH Futures" with the trade subject of USD against RMB exchange rate on July 20, 2015. It is the first exchange futures instrument introduced since the establishment of Taiwan futures market and it helps traders use financial instruments flexibly. Moreover, the Taiwan Futures Exchange had launched "TJF" on December 21, 2015 with "Tokyo Stock Price Index (TOPIX)" as the trade subject; also, it is the first foreign index futures instrument listed in the Taiwan futures market. The listing of the said instrument is not only an attempt of introducing new instrument from abroad, but also an attempt to increase market momentum in Taiwan through introducing new instruments. Investors have more trading options and Taiwan's futures market is entering a new milestone in internationalization. In addition, there were 7 ETF options (such as, Taiwan 50, Bao Shanghai and Shenzhen, FB Securities, Yuanta Securities, FH Shanghai and Shenzhen, CAF50, and Shenzhen 100) launched on the same day TJF listed, enriching the diversification of Taiwan futures market.

Instruments traded over the market in 2015 consisted mainly of domestic futures, domestic options, U.S., Japanese, Singaporean, Hong Kong, and European instruments. Domestic futures mainly consisted of index futures, while trading for domestic options was mainly concentrated in options on index futures. U.S. instruments consisted mainly of foreign currency futures, stock index futures, interest rate futures, gold futures, agricultural commodity futures, and energy futures. The stock index futures are the main commodities traded at Japanese Futures Exchange. Singaporean instruments consisted mainly of MSCI Taiwan index futures, A50 and Nikkei 225 futures. Hong Kong instruments consisted mainly of Heng Seng and H Stock Index futures. European instruments consisted mainly of Euro bonds and Dow Jones Euro STOXX 50.

The total trading volume of major products in 2015 is as follows; also, the options of the Taiwan Futures Exchange are with the highest trade volume:

Taiwan (futures)	Taiwan (options)	U.S.	Japan	Singapore	Hong Kong	European	Total
144,105,804	363,478,888	8,968,442	590,129	16,038,782	680,263	5,479,172	539,341,480

As for product development trend, please refer to 2010~2015 domestic and international market trading volume statistics:

Year	Taiwan (futures)	Taiwan (options)	U.S.	Japan	Singapore	Hong Kong	European	Total
2010	85,058,046	194,527,736	4,670,198	124,670	3,765,895	255,697	229,978	288,632,220
2011	112,744,970	253,245,372	5,145,086	74,110	4,347,630	246,351	282,353	376,085,872
2012	95,538,284	217,925,540	5,140,874	74,249	3,760,770	267,354	203,934	322,911,005
2013	86,779,300	219,671,176	6,641,148	172,358	5,320,795	443,054	279,220	319,307,051
2014	100,114,690	304,707,496	6,431,440	332,244	6,084,166	506,741	722,160	418,898,937
2015	144,105,804	363,478,888	8,968,442	590,129	16,038,782	680,263	5,479,172	539,341,480

Source: Chinese National Futures Association

In terms of foreign futures market, the global stock market had performed very positively due to the global economy in the first half of 2015 activated by the US economic recovery. The Futures index had gone up comprehensively in the USA and Europe, a record high price. However, the global stock market had moved reversely in the second half of the year due to the sluggish economy of China, of which, FITX had dropped by 30% from the high level of 10,000 points. The subsequent high market rebound brought the opportunity of high volatility and growing trade volume for futures. The growth of futures and stock option trade volume in 2015 had reached as high as 44% and 26%, respectively. For commodity futures, due to the record high US Dollar Index (USDX) since March 2003, the price had dropped comprehensively, including energy, precious metals, necessities metals and agricultural commodities; also, non-US currencies, such as EURO, AUD, NZD, and CAD are the subject of the futures price adjustment, of which, the price drop of energy commodities is even more evident, indicating the 8 categories of futures had indeed fluctuated severely in 2015.

5. Competition

The Company is a futures commission merchant. The profitability of the major competitors in 2015 is as follows:

Annual ranking	Name of futures merchant	Cumulative pre-tax profit/loss	Shares	Cumulative pre-tax earnings per share
1	Yuanta Futures	935,120,644	232,276,288	4.03
2	KGI Futures	577,742,397	86,080,000	6.71
3	Capital Futures	500,825,780	122,397,804	4.09
4	Optiver Taiwan	339,153,483	60,000,000	5.65
5	Sinopac Futures	322,331,228	75,000,000	4.30
6	President Futures	205,931,678	66,000,000	3.12
7	Fubon Futures	137,027,294	100,000,000	1.37
8	Masterlink Futures	121,100,326	70,000,000	1.73
9	Concord Futures	111,392,229	75,500,000	1.48
10	Da Chang Futures	69,818,466	30,000,000	2.33

Data source: Taiwan Futures Exchange; ranked in accordance with the cumulative net income before tax (by the Company)

(III) Technological research and development

1. Technological intensity and R&D

The research and development of the Company's Research Department includes

technical aspect, fundamental aspect, and dominating metering model application. The technical analysis is focused on strategic development, to determine the future trend of specific commodities with the composite index. The Research Department has employed such to help the Company write and publish the “Technical indicators taking you into option trading (Huan Yu Publishing)” in 2015. The option trading in the book is tested with the Big-Data System that is with a direct contribution to the market. As for the fundamental aspect, the Big-Data System is applied to analyze the factors influential to price, market correlation and interaction, expectation and events discussion. The relevant assessments are summarized with reports presented to brokers and corporate customers in 2015 that was well accepted by the public and the customers. The metering model application, in addition to the quantitative variables analysis, is combined with domestic and foreign statistical theory academic achievement synchronously; also, the research result is presented strategically by taking advantage of the industry-academia cooperation. The Research Department is currently studying 8 categories of products (such as: stock indexes, foreign exchange, interest rates, bonds, energy, precious metals, necessities metals, and agricultural products); also, full-time researchers are responsible for each category of product with the related professional research report issued, including the study scope of the commodity futures and options of global Futures Exchange approved by the Financial Supervisory Commission. The Research Department will move towards more research fields in-depth and breadth in 2016 in order to bring better research benefits to the customers.

The Research Department, in addition to actively conducting data integration and database construction in 2015, had constructed a foreign futures strategic database, the stock with the stock and futures data, and Yuanta futures APP message source supply to upgrade business development in-breadth and to develop options customers, in particular, to strengthen the foreign futures real-time information service in 2015 enabling customers to take advantage of Yuanta futures APP real-time message broadcasting in order to have a better grasp of the golden trading hours, so that customers do not have to monitor the stock market constantly and still can grasp the market information instantly, a real benefit from the effort of research. In addition, in terms of data research, as the Big-Data System stated in the preceding paragraph, it is the first option strategic analysis of the industry and it will continue to help enhance research quality and business development synchronously; also, it provides the most useful strategy information for the futures that face severe fluctuations.

2. Academic/career backgrounds of the R&D personnel

The Company’s Futures Consulting Division employed 8 staff; their academic and career backgrounds are as follows:

Item \ Year	2015		Up until February 29, 2016	
	Head count	Percentage	Head count	Percentage
Postgraduate study and above	7	88%	7	88%
University	1	12%	1	12%
Total	8	100%	8	100%
2 years research experience and above	3	38%	3	38%
2 years research experience and below	5	62%	5	62%

In addition, the Company’s Research Department maintains a close contact with

Yuanta-Polaris Research Institute and Yuanta Securities Investment Trust Co., Ltd. to enhance the relevant research resources and to expand the Company's scope of research.

3. Annual R&D expenses for the last 5 years

Unit: NT\$ thousand

Item	2011	2012	2013	2014	2015
R&D Department expenses	7,814	9,976	12,571	13,541	15,539

Apart from the R&D Department created under the Futures Consulting Division, the Company has also allocated some staffs in the IT Department, who engage in research and developments within their own specialties to improve the overall performance or service quality. Most employees had attained Master's or Bachelor's degrees in IT, and have many years of financial experience to assist their R&D efforts.

4. Successfully developed technologies or products

The Company's research data is presented in a written and electronic form; also, daily, weekly, quarterly, large-amount commitments of traders report, and futures curve report are published regularly for each domestic and foreign major futures instrument. The Report for Practical Project - hot series was launched again in 2015 by having the most popular futures instrument studied thoroughly, so customers could grasp the detailed outlook for futures and help customers understand volatile futures instruments easily in order to achieve a win-win position for customers and the Company. In addition, the Research Department has analyzed each product and market development trend; also, publish news flash and market commentary from time to time for any major changes in market (such as, the US Federal Reserve raised interest rates in 2015, Japan's further expanded monetary easing, the euro easing, and stock market crash in China), for customer's understanding the views of the research. Organize specific customer market briefings on a regular basis to help clients grasp the dynamics and possible development of the market in the future. Finally, the Research Department provides custom-made service to fulfill the needs of a financial juridical person and industrial juridical person, such as, strategy review, event analysis and trading strategies and special indicators support.

In terms of IT products, information systems continued to be reinforced by system integration in order to have the system converged for the goals of resources integration and cost reduction. The vertical integration from front to rear - wind speed control systems, speed Futures Exchange online systems, horizontal integration of backend billing systems, e-commerce platform and a wide range of front-end trading software allows customers to choose fast, stable, comprehensive and global investment trading platform of the Company at their discretion. Provide YMF and super 888 trading platform to the VIP and proprietary traders. Provide the fastest quoting and trading tool on the market, actively develop mobile order platform; also, expand its scope of application, develop program trading mechanisms and strengthen the risk control of program trading.

(IV) Long- and short-term business development plans

1. Short-term development:

- (1) Stable growth of brokerage market share: Create markets differentiated services to enhance global service capabilities, to provide international current issues as well as professional research report for eight-category of instruments, and construct a

comprehensive business value chain with the online and off-line value-added services, and create value services.

- (2) Actively support the IB-channel domestic futures option and overseas futures business: Continue to develop business by going through risk management, education and training, seminars, internal and external incentives, and online service support.
- (3) Increase customer's AUM (asset under management) margin: Expand the scale of customer's margin, enhance financial management efficiency comprehensively, improve customer margin spread profit, and provide foreign institution investors, domestic financial institution investors, and large-scale institution investors with a friendly investment environment with a stable and profound financial image.
- (4) Continue to launch new products in compliance with the policy of Taiwan Futures Exchange.
- (5) Utilize proprietary transaction technology and strengthen asset management capabilities. Reinforce trading strategies and complete profitable operation; allocate risks effectively in order to maximize profit/risk ratio and a dynamic management.
- (6) Continue to improve the Company's operation and management system: Integrate and optimize regulatory compliance, internal control and audit, corporate governance, and risk management structure in order to reduce operational risk.
- (7) Develop futures consulting business, from educating clients with professional knowledge in-depth to teach customers how to write their trading strategy and logic into the programs, conduct testing, increase opportunities for profitable trading, which benefiting business growth and adequate risk control.
- (8) Foster international business and brokerage talents; enrich resources for competitive advantage.

2. Long term development:

- (1) Exert the high transparency of finance and business of GTSM-listed companies and strict corporate governance, enhance the performance of internal operations, fully implement corporate internal control system, establish a high-quality image, and ensure its status as an indicator in Taiwan futures market.
- (2) Incorporate the resources and channel scale of Financial Holdings and develop into an international futures company with transactions of securities, non-securities, bulk materials, and foreign currencies, etc.
- (3) International / domestic traders organic cultivation, vertical rooting and horizontal expansion Establish the R&D Center to support the corporate strategy and policy with necessary policies and commodities introduced timely. Integrate research, proprietary trade, futures consulting, and futures brokerage to generate the greatest synergy.
- (4) In addition to the existing brokerage team, extend and replicate the organization with the IChannel team organized. The purpose is to integrate trans-department resources, to offer customers with highly interactive and lively online service experience with innovative business model, and to create another long-term stable profit center for the brokerage business.
- (5) Work with the Financial Holdings to actively deploy Asian markets and to establish the tri-transaction information network of Taiwan, Korea, and Hong Kong with a complete service structure provided.

Yuanta Futures (HK) Co., Limited

(I) Business scope

The business operation of the Company's Hong Kong subsidiary shall not exceed the

business scope authorized by local authorities and the Company's business scope approved by the competent authorities in Taiwan. If it is necessary to have new type of business introduced in the future, an application will be filed separately to the domestic and foreign competent authorities.

1. Principal business activities:

- (1) Category II business (dealing in futures contracts).
- (2) Category V (giving advices on futures contracts).
- (3) Other business functions approved by the Hong Kong competent authority.

2. Business weightage

In Hong Kong Dollar; %

Item	2015	
	Operating revenues	Ratio (%)
Brokerage commission	22,548	2.25%
Other operating revenue	975,896	97.75%
Total	998,444	100%

Source: audited financial statements

3. The Company's current products (services)

- (1) Dealing in futures contracts: Under the permission of Category II regulated activities of Securities and Futures Commission of Hong Kong to operate relevant business of futures, options, etc.
- (2) Giving advices on futures contracts: Under the permission of Category V regulated activities of Securities and Futures Commission of Hong Kong to operate relevant business of giving advices on futures contracts, etc.
- (3) Other business will be approved first by the competent authority in Taiwan, and then reported to the relevant authorities in Hong Kong for the permission to operate.

4. Optimize and improve customer service

Continue the training of futures talents and researches. First of all, enhance the quality of customer service and commit to train comprehensive futures talents; secondly, in terms of research and development, focus on the development of trading strategies and trading platform and simulate operation verification in order to provide quality services and a stable and fast trading platform.

(II) Industry overview

1. Existing market participants

HKEx licensee / number of registers (Data as of December 31, 2015)

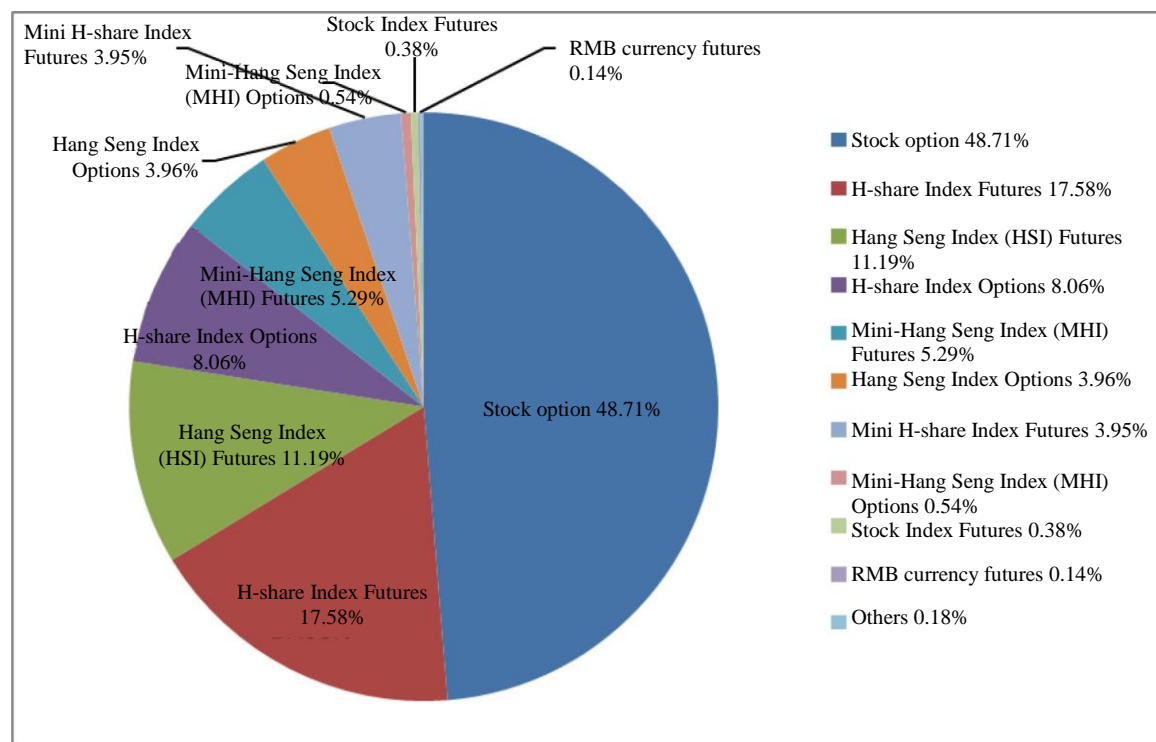
	The Stock Exchange of Hong Kong Limited Participants	Taiwan Futures Exchange Participants	Non-participant
Licensed institutional groups	462	111	1,531
Registration Authority	0	0	119
Licensed representative	11,157	908	15,860
Person in charge / Authorizer	1,633	161	4,134

* Exchange Participants are those authorized to trade or trade through the Exchange, and have obtained deals in accordance with "Securities and Futures Ordinance."

2. Hong Kong derivatives market summary

	The year of 2015	The year of 2014	Annual increase/decrease (%)	The average daily turnover in 2015
Total futures	73,462,212	50,379,246	45.82%	297,418
Hang Seng Index (HSI) futures	21,239,775	17,067,247	24.45%	85,991
Mini-Hang Seng Index (MHI) futures	10,046,556	6,959,838	44.35%	40,674
H-share Index futures	33,379,310	21,984,297	51.83%	135,139
Mini H-share Index futures	7,506,543	3,429,393	118.89%	30,391
HSIDPI futures	9,573	15,658	-38.86%	39
HSCEI Dividend Point Index futures	205,269	240,572	-14.67%	831
HSI Volatility Index futures	464	475	-2.32%	2
China 120 Index futures	27,427	40,283	-31.91%	111
Stock Index futures	729,013	427,609	70.49%	2,951
Three-month HK\$ interest rate futures	90	35	157.14%	0
One-month HK\$ interest rate futures	6	0	-	0
RMB currency futures	262,433	205,049	27.99%	1,062
London aluminum futures mini contract	11,554	1,644	602.80%	47
London zinc futures mini contract	16,654	2,828	488.90%	67
London copper futures mini contract	27,388	4,318	534.28%	111
London lead futures mini contract	0	-	-	0
London nickel futures mini contract	155	-	-	1
London tin futures mini contract	2	-	-	0
Options	116,362,151	92,059,793	26.40%	471,102
Hang Seng Index Options	7,515,466	7,518,710	-0.04%	30,427
Mini-Hang Seng Index (MHI) Options	1,033,813	961,354	7.54%	4,185
Custom Terms Hang Seng Index Options	5,300	350	1414.29%	21
H-share Index Options	15,304,245	8,998,897	70.07%	61,961
Custom Terms H-share Index Options	39,848	36,621	8.81%	161
-stock option	92,463,479	74,543,861	24.04%	374,346
Total Futures Options	189,824,363	142,439,039	33.27%	768,520

3. HKEx futures and options ratio



4. HKEx average daily turnover Top-Ten ranking and ratio

	Turnover ranking	The average daily turnover	Ratio (%)
Stock option	1	374,346	48.71%
H-share Index Futures	2	135,139	17.58%
Hang Seng Index (HSI) Futures	3	85,991	11.19%
H-share Index Options	4	61,961	8.06%
Mini-Hang Seng Index (MHI) Futures	5	40,674	5.29%
Hang Seng Index Options	6	30,427	3.96%
Mini H-share Index Futures	7	30,391	3.95%
Mini-Hang Seng Index (MHI) Options	8	4,185	0.54%
Stock Index Futures	9	2,951	0.38%
RMB currency futures	10	1,062	0.14%
Others	11	1,391	0.18%

Data Source: HKEx 2015 average daily turnover statistics

(III) Technological research and development

Hong Kong is one of the most liberalized areas in the global finance, with many advantages such as the stably supervisory and regulatory structure, low tax, and zero exchange controls etc., to attract many financial institution and talented persons. The foundation of Hong Kong subsidiary not only promoted the international image of the corporate, but also acquired talents, information, platform, via financial environment in Hong Kong, and introduced new financial instruments, trading strategies, and risks management platform, which are contributive to the development of the futures markets of clients, companies, and our country.

(IV) Long- and short-term business development plans

1. Mixed operation is the main business model in Hong Kong. The Company is gradually in cooperation with Yuanta Securities (Hong Kong) to comply with local mixed operation mode in order to achieve maximum operation synergy.
2. Recruit international talents.
3. Receive diversified international information.
4. Create a brand of “professional Trader”.

The Company is expected to accumulate international practical experience and enhance international competitiveness by participating in Hong Kong futures market-related brokerage business. The Company is expected to create a complete line of products and services in futures brokerage and consulting business.

SYF Information Co., Ltd.

(I) Business scope

1. The core system (the front office, the middle office, the back office) of securities and futures businesses.

2. The transaction platform of foreign investment (securities and futures)
3. Securities and options electronic transaction system
4. Overseas commodity transaction platform
5. Risk Management System
6. Sales Agent for computer software and hardware
7. Develop e-commerce project and internet service
8. After-sales warranty service for various system and software

(II) Industry overview

Due to fierce competition in the securities and futures industry, information enterprises that want to get an opportunity to generate profit in related industries must rely highly on information technology stability, speed, and processing power. As for the importance of information technology to the securities and futures industry, a temporary interruption in any form will cause the Company significant financial and goodwill losses, not to mention the impact on the trust of the clients. Therefore, while choosing the information company, the first consideration of many customers will be the capacity and quality of information service.

(III) Technological research and development

In early years of the foundation of Taiwan Information Corp., it will integrate the practical experiences in the front-office transactions, back-office management, products operation and development of the parent company, i.e. Yuanta Futures, and recruit and aggregate senior information professionals in order to R&D key technologies on its own and develop customize products.

(IV) Long- and short-term business development plans

1. Short term development:

- (1) Develop high-speed middle office and back office information system
- (2) Develop plug-in of securities and futures applications
- (3) Develop customer information system service
- (4) Integrate securities and options quotation in Taiwan and overseas and provide trading simulation platform
- (5) Provide risks control service module

2. Long-term development

- (1) Expand business channels in Mainland China, cooperate with local information companies
- (2) Develop internet marketing business model

II. Market and sales overview

(I). Market analysis (with industry-specific key performance indicators)

1. Locations where products (services) are primarily sold (provided), and market share information

2015 trade volume and market share between The Company and its main competitors:

口數		2015口數統計										
編號	期貨商名稱	台灣(期貨)	台灣(選擇權)	美國	日本	新加坡	香港	歐洲	英國	澳洲	國外小計	
F001000	國泰期貨	1,030,213	1,640,095	4,596	-	4,907	38	3,456	-	-	12,997	
F002000	永豐期貨	9,611,239	21,175,642	561,604	115,508	1,801,088	210,572	105,435	725	-	2,794,932	
F004000	凱基期貨	21,929,953	24,364,483	935,688	78,529	2,616,974	43,963	154,855	25,800	-	3,855,809	
F005000	國票期貨	1,791,553	4,171,436	68,297	-	40,710	2,077	17,892	230	-	129,206	
F007000	日盛期貨	4,280,582	8,325,879	503,696	53,318	142,995	10,092	35,540	9,791	-	755,392	
F008000	統一期貨	5,279,771	13,565,156	665,749	35,003	775,816	37,218	72,865	1,862	-	1,588,513	
F014000	華南期貨	1,717,656	3,544,329	121,805	5,969	107,715	4,399	13,120	-	-	253,008	
F018000	元富期貨	3,589,987	6,665,350	201,067	-	137,246	6,469	19,730	-	-	364,512	
F020000	群益期貨	10,347,167	16,394,641	2,375,262	113,624	2,154,625	96,842	231,567	2,355	3,602	4,974,275	
F021000	元大期貨	30,098,675	45,484,976	2,397,069	94,733	5,341,726	131,045	261,656	769	-	8,226,998	
F026000	富邦期貨	4,504,060	8,198,822	360,537	36,716	1,218,568	12,419	42,384	1,216	-	1,671,840	
F029000	康和期貨	3,357,589	16,448,435	564,042	31,880	260,322	34,832	53,571	120	-	944,767	
F030000	兆豐期貨	2,329,147	3,704,581	134,808	16,099	183,336	5,191	13,171	939	-	353,544	
F034000	漢華期貨	95,825	894,789	-	-	-	-	-	-	-	-	
F039000	六昌期貨	3,423,507	11,029,543	-	-	-	-	-	-	-	-	
	全部經紀商小計	111,971,372	199,217,238	8,894,184	581,379	14,786,028	595,157	1,026,788	43,807	3,602	25,927,343	
	全部自營商小計	32,134,432	164,261,650	74,258	8,750	1,252,754	85,106	198,291	-	-	1,619,159	
	市場總計	144,105,804	363,478,888	8,968,442	590,129	16,038,782	680,263	1,225,079	43,807	3,602	27,546,502	
	元大期貨市佔率	20.89%	12.51%	26.73%	16.05%	33.31%	19.26%	21.36%	1.76%	0.00%	1	
	元大期貨經紀市佔率	26.88%	22.83%	26.95%	16.29%	36.13%	22.02%	25.48%	1.76%	0.00%	1	
	元大期貨排名	1	1	1	3	1	2	1	7	-	1	

Source: Chinese National Futures Association

口數		2015市佔率										
編號	期貨商名稱	台灣(期貨)	台灣(選擇權)	美國	日本	新加坡	香港	歐洲	英國	澳洲	國外小計	
F001000	國泰期貨	0.71%	0.45%	0.05%	0.00%	0.03%	0.01%	0.28%	0.00%	0.00%	0.05%	
F002000	永豐期貨	6.67%	5.83%	6.26%	19.57%	11.23%	30.95%	8.61%	1.65%	0.00%	10.15%	
F004000	凱基期貨	15.22%	6.70%	10.43%	13.31%	16.32%	6.46%	12.64%	58.89%	0.00%	14.00%	
F005000	國票期貨	1.24%	1.15%	0.76%	0.00%	0.25%	0.31%	1.46%	0.53%	0.00%	0.47%	
F007000	日盛期貨	2.97%	2.29%	5.62%	9.03%	0.89%	1.48%	2.90%	22.35%	0.00%	2.74%	
F008000	統一期貨	3.66%	3.73%	7.42%	5.93%	4.84%	5.47%	5.95%	4.25%	0.00%	5.77%	
F014000	華南期貨	1.19%	0.98%	1.36%	1.01%	0.67%	0.65%	1.07%	0.00%	0.00%	0.92%	
F018000	元富期貨	2.49%	1.83%	2.24%	0.00%	0.86%	0.95%	1.61%	0.00%	0.00%	1.32%	
F020000	群益期貨	7.18%	4.51%	26.48%	19.25%	13.43%	14.24%	18.90%	5.38%	100.00%	18.06%	
F021000	元大期貨	20.89%	12.51%	26.73%	16.05%	33.31%	19.26%	21.36%	1.76%	0.00%	29.87%	
F026000	富邦期貨	3.13%	2.26%	4.02%	6.22%	7.60%	1.83%	3.46%	2.78%	0.00%	6.07%	
F029000	康和期貨	2.33%	4.53%	6.29%	5.40%	1.62%	5.12%	4.37%	0.27%	0.00%	3.43%	
F030000	兆豐期貨	1.62%	1.02%	1.50%	2.73%	1.14%	0.76%	1.08%	2.14%	0.00%	1.28%	
F034000	漢華期貨	-	-	-	-	-	-	-	-	-	-	
F039000	六昌期貨	2.38%	3.03%	-	-	-	-	-	-	-	-	
	全部經紀商小計	77.70%	54.81%	99.17%	98.52%	92.19%	87.49%	83.81%	100.00%	100.00%	94.12%	
	全部自營商小計	22.30%	113.99%	0.05%	0.01%	0.87%	0.06%	0.14%	0.00%	0.00%	1.12%	
	市場總計	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
	元大期貨市佔率	20.89%	12.51%	26.73%	16.05%	33.31%	19.26%	21.36%	1.76%	0.00%	29.87%	
	元大期貨經紀市佔率	26.88%	22.83%	26.95%	16.29%	36.13%	22.02%	25.48%	1.76%	0.00%	31.73%	
	元大期貨排名	1	1	1	3	1	2	1	7	-	1	

Source: Chinese National Futures Association

2. Future market supply/demand and growth potentials

In retrospect of 2015, the global stock market performed positively due to the global economy in the first half of the year led by the US economic recovery. The futures index had gone up comprehensively in the USA and Europe, to a record high. However, the global stock market moved reversely in the second half of the year due to the sluggish economy of China, of which, FITX had dropped by 30% from the high level of 10,000 points. The subsequent high market rebound brought the opportunity of high volatility and growing trade volume for futures. The growth of futures and stock option trade volume in 2015 reached as high as 44% and 26%, respectively. For commodity futures, due to the record high US Dollar Index (USDIX) since March 2003, the price had dropped comprehensively, including energy, precious metals, necessities metals and agricultural commodities; also, non-US currencies, such as EURO, AUD, NZD, and CAD are the subject of the futures price adjustment, of which, the price drop of energy commodities is even more evident, indicating the 8 categories of futures had indeed fluctuated severely in 2015.

The Taiwan futures market performed outstandingly in 2015 with over 260 million units traded. The Company broke the record of over 200 million units for two consecutive years, and also broke the record of over 220 million units of 2014, a record high since the establishment of the Futures Exchange. Meanwhile, the Taiwan Futures Exchange had launched seven new products and systems in 2015, including the RMB exchange rate futures, TOPIX futures, ETF options, extending China EYF futures and option trading time, adjusting stock options performance price order and interval, establishing trading order form deletion in bulk mechanisms and futures market trade suspension when there is abnormal information occurred. It was the first time for the

Taiwan Futures Exchange to launch so many new products and systems, not only continuing to inject growth momentum in Taiwan options market so that investors have more choices of transaction, but also a milestone allowing Taiwan futures market developed internationally.

Looking to 2016, the Taiwan Futures Exchange will continue to launch large futures trade contest programs and talents training courses in order to increase the futures market trading volume; also, to develop international cooperation, to introduce foreign instruments to be listed in Taiwan, and to continue promoting product development and system reform. Taiwan futures market is expected to grow strongly and to perform outstandingly in 2016!

3. Competitive advantage

After the merger in April 2012, the market shares of Yuanta Futures in futures brokerage, overseas products, and earnings before taxation, net work, and customer equity value were much higher than the industry peers. This is particularly the case for its financial stability. With strict risk management, the Company gives the best protection for the futures investors and emerges as a pioneer of the country in developing into a big futures firm.

“Secure brokerage market ratio and improve gross profit ratio.”

- (1) Create market differentiation services, enhance globalized operation capacity, develop foreign futures 8-category commodities through international affairs and topics, and provide professional research reports and 24hr service value in order to expand the blue ocean market.
- (2) Inject futures consulting and futures brokerage resources, construct the comprehensive business value chain, and create value-added services.
- (3) Master the world’s eight major categories quotations. Reduce Taiwan single stock market risk by taking advantage of the futures short operational advantage to increase the salesperson’s sales in depth and width.
- (4) Duplicate the successful business model to the South Korea and Hong Kong markets. Establish a golden triangle zone of Taiwan, Korea and Hong Kong to actively deploy the Asian market.

“Actively develop the overseas futures markets business”

- (1) The competent authorities officially approved futures introducing brokers (IB) to undertake foreign futures business since 2014. Yuanta Futures will help the IB develop the foreign futures business at each business location in order to increase the trading volume of foreign futures.
- (2) With the advantage of having the membership of 11 foreign exchanges, and 24-hr around the clock global operations center in service, the Company intends to develop foreign futures products with a higher turnover to be expected.

“Promote new kinds of business in compliance with the policies of the Taiwan Futures Exchange.”

- (1) Taiwan Futures Exchange launched two “RMB Currency Futures – USD/CNH Futures” with the trade subject of USD against RMB exchange rate on July 20, 2015. New choices of RMB investment and hedging will be offered to Taiwanese investors through continuing advocacy and incentives.
- (2) Taiwan Futures Exchange launched the “TOPIX futures” and seven “ETF Options” on December 21, 2015. Diversified trading strategies will be offered to Taiwanese investors with the continuing international market promotion.

“Improve proprietary trade performance and take into account the risk control.”

- (1) Continue to strengthen proprietary risk management mechanism and adopt low-risk operation.
- (2) Utilize the centralization of dominant strategy to expand overseas market and duplicate the successful model in Europe and the United States where the market is with high fluctuation.
- (3) In the diversified, comprehensive and multifaceted strategies of quantitative global development, we shall increase the layout of the low-risk, high-return markets.
- (4) Continue the innovative proprietary trader recruitment approach and campus talents recruitment for day trade and measurement R&D.

“Increase customers margin AUM”

- (1) Expand the scale of customer margin, integrate and improve the efficiency of fund management, and increase customer margin spreads income.
- (2) Provide foreign corporations, domestic financial corporations, and large institutional shareholders with a friendly investment environment based on an image of stable finance.
- (3) In respond to the competent authorities’ loosening the restriction on foreign currency deposits limit, improve capital utilization efficiency with diversified investment funds allocation.

“Establish trading strategy to increase IB trading volume”

- (1) Assist IB to establish a correct options trading risk concept, provide customers with risk management and control tool, and construct an ideal return trading patterns.
- (2) Promote strategic trading, stock and futures traded in a bear and bull market strategy, effectively increase the market share of IB channel domestic futures and options and exercise the Group synergy effect.

4. Opportunities

- (1) TFE will continue to launch new products and systems to make the product line of the domestic futures market complete and provide the traders a greater variety of choices for hedging.
- (2) The Company is strong in innovation of options. With a complete and solid trading platform, the Company gained a lion share in the futures brokerage market and proprietary trade, with the highest growth in futures trading advisor business. These demonstrated the synergy under the integration and cross-sharing of group resources.
- (3) With a healthy financial structure, a viable system of risk management, and good practice in corporate governance, the Company strictly controls the clearing of transactions for proper control of risk.
- (4) The Company has a great variety of training programs for its personnel, which helped to upgrade the professional skills of the sales personnel and the back-end staff in compliance with applicable laws.

5. Future opportunities, threats, and responsive strategies

- (1) The financial environment will continue to be rough. As such, the Company has

mapped out the strategy for coping with the instability of profits from commission incomes and proprietary trade.

Responsive strategies:

- ① Creating multiple income sources: Adopt an international perspective in both trading strategy and product promotion to avoid local price competitions or concentrated revenue sources. The Company has sufficient relative advantage in international markets to secure its revenues.
 - ② Dedication to high service quality: Offering 24-7 trading services, IT platform upgrades and customization, professional market analysis and recommendations etc., to highlight our differentiated services, and thereby building our brand image while securing customers' loyalty.
 - ③ Broaden the horizon of the marketing strategy: given the advantage of the financial holdings, the Company will provide a wider array of products and services. By integrating the strategies of futures trust, futures brokerage, and future trading advisor, and the interface of the outstanding IT platform, the Company will intensify strategic marketing activities, allows for more exposure to the media, higher visibility of the brand of the Company to the investors, and effectively enlarge the market size.
- (2) Futures margin trading is highly leveraged and is susceptible to settlement losses, which discourages investors' participation.

Responsive strategies:

- ① The high leverage involved in margin trading is investors' choice, not obligation. We can eliminate investors' doubts by communicating proper concepts on capital management.
 - ② Teach investors the "STOP" strategy to avoid major losses while earning sizable gains.
- (II) Main product purpose and production process: not applicable.
- (III) The supply of key raw materials: not applicable.
- (IV) Name of trade partner representing more than 10% of total purchases (sales) in any of the last two years, and the amounts and percentages of purchases (sales). Describe the causes of any variation: not applicable.
- (V) Production volume and value in the last two years: not applicable.
- (VI) Sales volume and value in the last two years: not applicable.

III. The number of employees, average years of service, average age, and academic background in the last 2 years up until the publication date of this annual report

Yuanta Futures Co., Ltd.

Year		2014	2015	Up until February 29, 2016
Number of employees		345	362	360
Average age		38.81	38.48	38.53
Average years of service		8.24	7.80	8.01
Academic qualification	Doctoral Degree	0.28%	0.27%	0.27%
	Master's Degree	16.81%	16.57%	16.38%
	Bachelor's Degree	74.78%	74.57%	74.44%
	High school	8.13%	8.59%	8.91%
	Below high school	0%	0%	0%

Yuanta Futures (HK) Co., Limited

Year		2013	2014	January 31, 2015
Number of employees		3	3	3
Average age		34	35	35.1
Average years of service		0.37	1.37	1.45
Academic qualification	Doctoral Degree	0	0	0
	Master's Degree	33.3%	33.3%	33.3%
	Bachelor's Degree	66.7%	66.7%	66.7%
	High school	0	0	0
	Below high school	0	0	0

Note 1: The average years of service were counted from the business opening date as applied.

Note 2: Some of the positions at Yuanta Futures (Hong Kong) would be assumed by the employees of Yuanta Securities (Hong Kong) since February 1, 2015.

SYF Information Co., Ltd.

Year		2014	2015	Up until February 29, 2016
Number of employees		2	4	4
Average age		48.4	32.1	32.2
Average years of service		1.5	1.1	1.3
Academic qualification	Doctoral Degree	0%	0%	0%
	Master's Degree	50%	0%	0%
	Bachelor's Degree	50%	100%	100%
	High school	0%	0%	0%
	Below high school	0%	0%	0%

IV. Contribution to Environmental Protection

- (I) Companies that are required to apply for pollution treatment facilities or pollution emission permits, or required to pay pollution treatment expenses, or are required to assign dedicated environmental staffs, must detail their applications, payments, or any arrangements: not applicable.
- (II) List and equipment or investment relating to pollution prevention; describe their purposes and the likely benefits: not applicable.
- (III) Describe any improvements towards pollutions and disputes arising from which in the last 2 years, up until the publishing date of this annual report: not applicable.
- (IV) Describe any losses or penalties caused by pollutions (including compensations) in the last 2 years up until the publishing date of this annual report; disclose responsive strategies (including corrective measure) and the likely expenses (including losses, penalties, and compensations for not taking corrective actions; state the reasons if losses cannot be estimated): none.
- (V) Describe the current pollution situation and how improving the situation may affect the Company's earnings, competitiveness, and capital expenditure; estimate major capital expenditures on environmental protection in the next 2 years: not applicable.

V. Employer and employee relationships

- (I) The availability of employee welfare, training, ongoing education, and retirement policies. Elaborate on the agreements between employers and employees, and the protection of employees' rights.

1. Employees' welfare

(1) Employees' Welfare Committee:

- ① Birthday gift
- ② Maternity, marriage, and funeral subsidies
- ③ Chinese New Year, Dragon Boat Festival and Mid-Autumn Festival gifts
- ④ Children's education subsidies
- ⑤ Emergency aid
- ⑥ Group recreation and tourism

(2) The Company provides:

- ① Group accident insurance
- ② Year-end bonus
- ③ Remuneration to employees (according to the Company's Articles of Association)
- ④ Monthly pension contributions in accordance with the Labor Standards Act
- ⑤ Annual health check-up
- ⑥ Year-end lucky draw banquet

(3) Government regulations:

- ① Mandatory participation in the Labor and Health Insurance Schemes
- ② Compensation for occupational hazards according to the Labor Standards Act
- ③ Any other requirements under the Labor Standards Act, the Labor Insurance

Act, and the National Health Insurance Act

2. Employees' education policy: in order to enhance employees' professional knowledge, skills, efficiency, and work quality, we have established the following Education Policy in conformity to human resource requirements:

Orientation: Department guidance.

Department training: (1) Professional skills training (2) Work guidance (3) Workshops (4) Department meetings (5) Reading group.

Outsourced training: (1) Out-stationed training (2) Internal training with hired speakers.

Nurtured training: (1) Managerial talents nurturing program (2) Internal speakers nurturing program (3) Certificate examination.

Foreign training: (1) Foreign inspection (2) Foreign education (3) Foreign workshop.

Project training: (1) Intensive training for managerial staffs.

Mandated training: (1) Pre-job training for futures specialist (2) On-job training for futures specialist (once every 2 years).

Training expenses totaled NT\$889,741 in the latest year.

In order to improve the professionalism of internal audits, auditors are required to participate in internal audit workshops as well as external conferences. Financial staffs are also required to attend training courses organized by the competent authority and other relevant units. The Company's managers and other employees received the following training in 2015:

Title	Name	Organizer	Course name	Hours	Date
Chairman	Mr. Lin, Tien-Fu	Taiwan Securities Association	Case study of Company Law	3 hours	2015/4/23
			Business operation and related taxation discussion	3 hours	2015/7/15
		Yuanta Financial Holding Co., Ltd.	Industrial environment and financial development in Indonesia, Vietnam, Myanmar, and the Philippines	2 hours	2015/9/16
General Manager	Ms. Chou, Hsiao-Ling	Taiwan Academy of Banking and Finance (TABF)	Corporate Governance 2.0 - global perspective and Taiwan experience	3.5 hours	2015/5/5
		Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3 hours	2015/10/14
		Yuanta Financial Holding Co., Ltd.	Cloud Monetary and Financial Network: electronic payment opportunity and extension	2 hours	2015/7/2
Executive Vice President	Mr. Kuo, Yu-Hong	GreTai Securities Market	Insider Seminar for GTSM and Emerging Stock Market-Listed Companies	3 hours	2015/7/21
		Taiwan Securities Association	Corporate social responsibility and corporate governance discussion from the trend of global risk	3 hours	2015/10/14
		Yuanta Financial Holding Co., Ltd.	Taiwan economic predicament and solution	2 hours	2015/12/1
Accounting Department Vice President	Yu-Cheng Chou	Taiwan Securities Association	Accounting officer training course series – Facing Taiwan tax environment and trend, tax saving strategy for the directors, supervisors, and managers	12 hours	2015/3/26

Title	Name	Organizer	Course name	Hours	Date
			Accounting officer training course series – The strait investment legal risk case study		2015/4/15
			Legal liability of corporate directors, supervisors, and managers, and case study		2015/5/13
			Corporate management war and Mergers and Acquisitions Law discussion		2015/6/10
General Planning Department Senior Assistant Vice Presidents	Chen, Yan Ling	Taiwan Securities Association	Digital financial development trend	3 hours	2015/8/21
		Taiwan Academy of Banking and Finance (TABF)	The challenges and business opportunities for financial industry derived from Global Fintech development	3 hours	2016/1/20
Auditing Department Senior Assistant Vice Presidents	Wen-Fang Wu	Taiwan Futures Exchange Corporation	Futures commission merchant internal control adjustment Advocacy Seminar	3 hours	2015/6/1
		Taiwan Stock Exchange Corporation	Legal and Professional Awareness for Securities Personnel	3 hours	2015/12/7
Compliance Department Senior Assistant Vice Presidents	Lee-Ling Chien	Yuanta Financial Holding Co., Ltd.	Financial consumer protection laws and related case study	3 hours	2015/5/8
		Taiwan Securities Association	Assessment of money laundering and financing of terrorism risks with the related prevention and control program planned Advocacy Seminar	3 hours	2015/10/22
		Taiwan Academy of Banking and Finance (TABF)	The challenges and business opportunities for financial industry derived from Global Fintech development	3 hours	2016/1/20
		Taiwan Academy of Banking and Finance (TABF)	International Seminar on Money Laundering Prevention Section 7	6.5 hours	2016/1/22

Employee	Organizer	Course name	Hours	Head count
All registered sales	Chinese National Futures Association	Mandatory on-job training (including futures/consulting/brokerage/ proprietary trading)	3 ~ 15 hours	241 persons
	Taiwan Securities Association	Securities on-job training	7.5 ~ 15 hours	52 persons
Training for new recruits	Securities and Futures Development Foundation	Mandatory orientation for new entrants (including securities and futures/consulting/and brokerage)	9 ~ 12 hours	180 persons
Accounting Department	Taiwan Securities Association	Continuing education for accounting officers	12 hours	2 persons
Business Department at the headquarters / Foreign Institutional Investor Department / Customer Service Trading Department / Administration Office / Information Department / colleagues and supervisors of each branch office	Yuanta Financial Holding Co., Ltd.	The 2015 Junior Manager workshops	21 hours	10 persons

Employee	Organizer	Course name	Hours	Head count
Network Business Department at the headquarters / Domestic Institutional Investor Department / Customer Service Trading Department / Research Department / Clearing Department / Information Department / Hsinchu Branch / Taichung Branch colleagues and supervisors	Yuanta Financial Holding Co., Ltd.	The 2015 Intermediate Manager workshops	21 hours	8 persons
Taichung Branch and Tainan Branch colleagues	Taiwan Securities Association	Margin purchases and short sales, and borrowing and lending personnel education and training	27 hours	2 persons
Auditors of the Headquarters /Branch Office	Taiwan Futures Exchange	The 2015 new products and new system advocacy seminar	2.5 hours	9 persons
Auditors of the Headquarters /Branch Office	Taiwan Stock Exchange Corporation	2015 Legal and Professional Awareness for Securities Personnel	2.5 hours	7 persons
Auditors of the Headquarters /Branch Office	GreTai Securities Market	OTC market trade new system and new business advocacy seminar	3 hours	8 persons
Domestic Institutions Department	Data Systems Consulting Co., Ltd.	EXCEL practice course	14 hours	1 persons
Clearing Department / Compliance Department	Taiwan Securities Association	Assessment of money laundering and financing of terrorism risks with the related prevention and control program planned Advocacy Seminar	4 hours	2 persons
General Planning Department	Taiwan Securities Association	Digital financial development trend	3 hours	3 persons
International Business Department	Corporate Operation Association	The operation of the Board of Directors - Board of Directors meeting agenda and minutes of meeting	3 hours	1 persons
Hsinchu Branch	Industrial Safety and Health Association of the R.O.C. (Taiwan)	Class C occupational safety and health director education and training	21 hours	1 persons
Proprietary Trade Department	Taipei Foundation Of Finance	Technical Analysis and practice	7 hours	1 persons
New entrants in 2014	Yuanta Financial Holding Co., Ltd.	Training of labor safety and health for the new entrants	3 hours	11 persons
New entrants in 2014	Association of Occupational Safety and Health	Training of labor safety and health for the new entrants	3 hours	35 persons
All employees	Yuanta E-Academy online education and training	Legal & compliance / Anti-Money Laundering /Anti- bribery/Information Safety/Personal Information Protection Act/Financial Consumers Protection Act Training in 2015	0.5 ~ 1 hours	360 persons

Employees' certification:

Certificate and license name	Department Business Department, 56 staffs	Proprietary Trading Department, 28 staffs	Domestic Institutions Department, 8 staffs	Offshore Institutions Department, 8 staffs	Internal Audit Department, 4 staffs	Accounting Department, 6 staffs	Financial Department, 5 staffs	Clearing Department, 19 staffs	Network Business Department 13 persons
Certified Public Accountant, R.O.C.	0	0	0	0	0	1	0	0	0
Certified Public Accountant, U.S.	0	0	0	1	0	1	0	0	0
FRM	0	0	0	0	0	0	0	0	0
Futures Practitioner, China	11	0	3	0	2	0	0	3	5
Futures Practitioner, Hong Kong	2	0	0	0	2	0	0	0	6
Futures Associated Persons	56	25	8	8	4	5	5	19	13
Futures Trading Analyst	2	4	1	0	0	0	0	0	4
Securities sales personnel	37	6	2	2	0	2	0	8	5
Senior Securities Sales Personnel	14	12	6	5	4	1	3	5	6
Certified Securities Investment Analyst	1	2	0	0	0	0	0	0	2
Certified Securities Investment Trust And Consulting Professional	8	2	0	0	3	0	2	1	3
Trust Personnel	7	4	0	0	2	0	2	4	4
Bond Personnel	0	1	0	0	0	0	0	0	0
Bank Internal Control Personnel	1	1	0	0	1	0	0	1	1
Bank's Internal Controls and Internal Auditors	1	0	0	0	1	0	0	0	0
Certified Financial Planner	3	2	0	0	1	0	2	0	2
Certified Life Insurance Representative	3	1	0	0	1	1	0	4	2
Certified Property Insurance Representative	3	1	0	0	0	0	0	0	2
Total	149	61	20	16	21	11	14	45	55

3. Pension system: Since October 1998, the Company had complied with the Labor Standards Act by contributing 2% of employees' salaries as pension into dedicated accounts opened under the Bank of Taiwan. The Labor Pension Act came into effect since 1 July 2005, and mandated a defined contribution plan. After its implementation, employees were given the option to choose between the pension scheme made available under the "Labor Standards Act", or the pension scheme under the new "Labor Pension Act" while carrying forward their years of service into the new scheme.

4. Employer/employee agreements and employees' rights: The Company had maintained a harmonic relationship with its employees since inception. It organizes meetings with employees according to its Employer/Employee Meeting Rules as a form of communication and as means for settling disputes.

(II) The losses resulted from labor disputes in the last two years and up to the annual report

published date; disclosure of the current and noncurrent estimated losses and the responsive measures; if such loss amount cannot be reasonably estimated, please state the reason why: Mr. Hong, the former employee, voluntarily applied for retirement to the Company. The Company had his pension calculated and paid lawfully. Mr. Hong had received the pension payment and still filed a civil lawsuit in June 2015 to request having pension calculated as an employee of the terminated company, Polaris Securities, a third party to the lawsuit for an amount of NT\$6,216,600 plus statutory interest. The Taiwan Taipei District Court ruled recently that the Company should pay NT\$813,730 to Mr. Hong and the interest at 5% per annum for the period from June 16, 2015 to the liquidation date. The plaintiff and defendant of this lawsuit have filed an appeal to the court before deadline. The case has no significant impacts to the Company's operation or shareholders' equity.

(III) Working environment and employee personal safety

Item	Content
Entrance Security	<ol style="list-style-type: none"> 1. Our office building has a strict access control monitoring system during the day and the night. 2. Our company signed the contract with the security firm for the nighttime and holidays to keep the safety of the office.
Equipment maintenance and inspection	<ol style="list-style-type: none"> 1. According to regulations for inspecting and reporting buildings public security, the building management committee appoints the external professional company to conduct public safety inspection every two years. 2. According to Fire Services Act, it is outsourced to conduct the fire- fighting security inspection every year. 3. According to the Company's code of practice in labor safety and health, for every three month the maintenance of dispensers is conducted, for every year the maintenance and inspection of high and low voltage electrical equipment, air conditioning, and fire- fighting devices, etc., and regular check for vehicle by miles.
Disaster prevention and response actions	<ol style="list-style-type: none"> 1. The Company has formulated "Natural Disasters Management Guidelines," "Major Accidental Event Reporting Operating Guidelines," and "Labor Safety and Health Management Rule" to prepare notes for disaster prevention and urgency repair in advance, and reporting procedures of accidents and occupational injuries. Clearly define the responsibilities and tasks of the personnel at all levels of the Company before and after the natural disasters, serious injuries, etc. 2. To keep employee safety and health and promote health and safety services, the Company places one Certified Administrator of Occupational Safety and Health affairs - Class A and several First Aid Personnel.
Physical health	<ol style="list-style-type: none"> 1. Physical examination: The Company provides regular health examination every two years in accordance with Labor Safety and Health Act for in-service staff. Psychological counseling and assessment is also provided and the psychological counseling may be requested to a physician as person wishes. 2. Working environment hygiene: Smoking is strictly prohibited in business areas, and seminar tours are arranged, the office environment is regularly cleaned and disinfected.
Mental health	<ol style="list-style-type: none"> 1. Education and Training: Stress (emotion) management course, communication skills course, and innovative thinking course are arranged, feature seminars for employees' mental accommodation and strengthening competence are held, and e-learning is provided. 2. Opinions delivery: Establish an employees' dedicated block on the website; provide employees' opinions discussion area, suggestion area, application form and user manuals download area, legal pieces, learning area, and training

	<p>announcement area; provide channels for employees' opinions delivery, emotional outlets, and interactive learning.</p> <p>3. Sexual harassment prevention: Ratify the "Guideline on sexual harassment prevention, complaint, and discipline."</p>
Insurance and medical condolences	<p>1. The Company provides labor insurance (covering occupational injuries insurance) and health insurance for employees as required by law. The Company finds another insurance company to provide employees and their dependents accident insurance, medical insurance cancer insurance, etc. at preferential rates.</p> <p>2. The Company has all employees insured against accidents on duty with insurance coverage 10 million NT\$ as the compensation for employees or the heirs due to work related disabilities or death.</p> <p>3. Provide preferential allowance and subsidies for injuries and death of the employee as well as injuries and death of the employee's spouse and children.</p>

VI. Major contracts

(I) Yuanta Futures Co., Ltd.

Date of information: February 29, 2016

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Maintenance agreement on IT hardware	IBM Taiwan	January 1, 2016 ~ December 31, 2018	IBM Maintenance Agreement on Hardware	None
Leasing agreement on real properties (leasing)	Yuanta Securities Co., Ltd.	April 1, 2015 ~ March 31, 2018	Lease the space in 11~12F of Tatung Building for housing the Head Office of futures operation, Taipei Business Department, Proprietary Trade Department, and related departments and offices.	General legal principle
Purchase Agreement on IT software	SYSTEX	January 1, 2015 ~ December 31, 2017	Microsoft EA Software Procurement (mainly signed by the Financial Holdings)	None
Lease agreement on equipment	CHT HiNet Internet Service	November 1, 2012 ~ 31 October 2017	Lease agreement on leasing the space of CHT HiNet machine room, network, and maintenance service.	None
General trade contract	Logiscalis Singapore Pte. Ltd. Taiwan Branch	February 20, 2014 ~ June 20, 2017	Remote engine room construction and procurement contract	General trade contract

(II) Yuanta Futures (HK) Co., Limited

Date of information: February 29, 2016

Contract nature	Participants	Contract start and end dates	Main contents	Restrictive clauses
Lease agreement on equipment	CHT HiNet Internet Service	from September 17, 2012 until now	Lease agreement on leasing the space of CHT HiNet machine room, network, and maintenance service.	None
service contract	Yuanta Securities (HK) Co., Limited	from May 31, 2013 until now	The human support and consultation such as human resource, IT technology, and legal compliance, etc. are provided by Yuanta Securities (Hong Kong) Ltd.	the interested party

Six. Financial summary

I. Summary balance sheet and comprehensive income statement for the last 5 years

(I) Summary balance sheet and comprehensive income statement

1. Summary balance sheet

Unit: NT\$ thousand

Item		Year	Consolidated financial information for the latest 5 years (Note 1)				
			2011	2012	2013	2014 (adjusted) (Note 2)	2015 (Note 3)
Current assets			-	37,449,016	35,378,071	36,003,882	54,851,638
Property , plant, and equipment			-	136,960	120,415	80,954	70,570
Intangible assets			-	40,421	40,694	41,599	35,166
Other assets			-	1,448,346	1,627,340	1,600,456	1,894,478
Total assets			-	39,074,743	37,166,520	37,726,891	56,851,852
Current liabilities	Before dividend distribution		-	32,407,867	30,118,667	30,234,715	50,015,264
	After dividend distribution		-	32,823,641	30,599,479	31,847,924	0
Non-current liabilities			-	40,517	42,788	41,148	59,481
Total liabilities	Before dividend distribution		-	32,448,384	30,161,455	30,278,863	50,074,745
	After dividend distribution		-	32,864,158	30,642,267	31,892,072	0
<u>Attributable to owners of the parent company</u>			-	6,626,359	7,005,065	7,448,028	6,777,107
Share capital			-	2,322,763	2,322,763	2,322,763	2,322,763
Capital reserve	Before dividend distribution		-	1,999,045	1,940,976	1,940,976	940,976
	After dividend distribution		-	1,940,976	1,940,976	940,976	0
Retained earnings	Before dividend distribution		-	1,858,813	2,156,969	2,546,954	2,694,519
	After dividend distribution		-	1,501,108	1,676,157	1,933,745	0
<u>Other equity</u>			-	445,738	584,357	637,335	818,849
<u>Treasury stock</u>			-	0	0	0	0
<u>non-controlling interests</u>			-	0	0	0	0
Total equity	Before dividend distribution		-	6,626,359	7,005,065	7,448,028	6,777,107
	After dividend distribution		-	6,210,585	6,524,253	5,834,819	0

* The Company has prepared individual financial statement; therefore, the below condensed separate balance sheets within five years are provided otherwise.

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 "Employee Benefits," 2013 version, since 2015.

Note 3: As of the date this report was printed, the proposal for the distribution of earnings in 2015 has not been passed by the General Meeting of shareholders.

Unit: NT\$ thousand

Item		Year	Separate financial information in the last five years (Note 1)			
		2011	2012	2013	2014 (adjusted) (Note 2)	2015 (Note 3)
Current assets		-	37,226,337	35,102,718	35,797,043	54,452,849
Property , plant, and equipment		-	136,960	116,594	79,803	68,683
Intangible assets		-	40,421	40,694	34,522	31,355
Other assets		-	1,670,595	1,844,258	1,809,886	2,297,826
Total assets		-	39,074,313	37,104,264	37,721,254	56,850,713
Current liabilities	Before dividend distribution	-	32,407,437	30,056,411	30,229,078	50,014,125
	After dividend distribution	-	32,823,211	30,537,223	31,842,287	0
<u>Non-current liabilities</u>		-	40,517	42,788	44,148	59,481
Total liabilities	Before dividend distribution	-	32,447,954	30,099,199	30,273,226	30,267,919
	After dividend distribution	-	32,863,728	30,580,011	31,886,435	0
<u>Attributable to owners of the parent company</u>		-	6,626,359	7,005,065	7,448,028	6,777,107
Share capital		-	2,322,763	2,322,763	2,322,763	2,322,763
Capital reserve	Before dividend distribution	-	1,999,045	1,940,976	1,940,976	940,976
	After dividend distribution	-	1,940,976	1,940,976	940,976	0
Retained earnings	Before dividend distribution	-	1,858,813	2,156,969	2,546,954	2,694,519
	After dividend distribution	-	1,501,108	1,676,157	1,933,745	0
<u>Other equity</u>		-	445,738	584,357	637,335	818,849
<u>Treasury stock</u>		-	0	0	0	0
<u>non-controlling interests</u>		-	0	0	0	0
Total equity	Before dividend distribution	-	6,626,359	7,005,065	7,448,028	6,777,107
	After dividend distribution	-	6,210,585	6,524,253	5,834,819	0

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 “Employee Benefits,” 2013 version, since 2015.

Note 3: As of the date this report was printed, the proposal for the distribution of earnings in 2015 has not been passed by the General Meeting of shareholders.

2. Summary comprehensive income statement

Unit: NT\$ thousand

Item \ Year	Consolidated financial information for the latest 5 years (Note 1)				
	2011	2012	2013	2014 (adjusted) (Note 2)	2015
Operating revenues	-	2,748,028	2,396,759	2,274,034	2,929,929
Operating gross profit	-	1,404,110	1,241,706	1,160,488	1,421,834
Operating gains and losses	-	248,999	225,979	227,853	407,954
Non-operating revenues and expenses	-	455,934	550,221	772,168	527,166
Earnings before tax	-	704,933	776,200	1,000,021	935,120
Current pre-tax profit from continuing operations	-	593,731	653,867	871,045	777,093
gain(loss) from discontinued operations	-	0	0	0	0
Current period net profit (loss)	-	593,731	653,867	871,045	777,093
Other comprehensive income for the period (post-tax profit or loss)	-	58,733	140,613	57,575	165,195
Total comprehensive income for the period	-	652,464	794,480	928,620	942,288
Net income attributable to owners of the parent company	-	534,431	653,867	871,045	777,093
Net income attributable to non-controlling interests	-	59,300	0	0	0
Total comprehensive income attributable to owners of the parent company	-	593,164	794,480	928,620	942,288
Total comprehensive income attributable to non-controlling interests	-	59,300	0	0	0
Base earnings per share (Note 3)	-	2.56	2.82	3.75	3.35

* The Company has prepared individual financial statement; therefore, the below individual comprehensive statements of income within five years are provided otherwise.

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 "Employee Benefits," 2013 version, since 2015.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Unit: NT\$ thousand

Item \ Year	Separate financial information in the last five years (Note 1)				
	2011	2012	2013	2014 (adjusted) (Note 2)	2015
Operating revenues	-	2,748,026	2,393,399	2,269,734	2,929,853
Operating gross profit	-	1,404,108	1,238,493	1,156,340	1,421,758
Operating gains and losses	-	251,751	240,389	249,893	426,992
Non-operating revenues and expenses	-	453,182	535,811	750,128	508,128
Earnings before tax	-	704,933	776,200	1,000,021	935,120
Current pre-tax profit from continuing operations	-	593,731	653,867	871,045	777,093
gain(loss) from discontinued operations	-	0	0	0	0
Current period net profit (loss)	-	593,731	653,867	871,045	777,093
Other comprehensive income for the period (post-tax profit or loss)	-	58,733	140,613	57,575	165,195
Total comprehensive income for the period	-	652,464	794,480	928,620	942,288
Net income attributable to owners of the parent company	-	534,431	653,867	871,045	777,093
Net income attributable to non-controlling interests	-	59,300	0	0	0
Total comprehensive income attributable to owners of the parent company	-	593,164	794,480	928,620	942,288
Total comprehensive income attributable to non-controlling interests	-	59,300	0	0	0
Base earnings per share (Note 3)	-	2.56	2.82	3.75	3.35

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 "Employee Benefits," 2013 version, since 2015.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

(II) Condense balance sheets and statements of income - Taiwan financial reporting standards

1. Condense balance sheets - Taiwan financial reporting standards

Unit: NT\$ thousand

Item	Year	The parent company's financial information within five years (Note 1)				
		2011 (Note 2)	2012	2013	2014	2015
Current assets		39,118,396	37,230,559	-	-	
Funds and investments		533,105	612,046	-	-	
Fixed assets		134,834	161,339	-	-	
Intangible assets		18,789	40,421	-	-	
Other assets		761,838	570,177	-	-	
Total assets		40,566,962	38,614,542	-	-	
Current liabilities	Before dividend distribution	34,260,543	32,403,127	-	-	
	After dividend distribution	34,866,269	32,818,901	-	-	
Long term liabilities		0	1,320	-	-	
Other liabilities		155,935	89,989	-	-	
Total liabilities	Before dividend distribution	34,416,478	32,494,436	-	-	
	After dividend distribution	35,022,204	32,910,210	-	-	
Share capital		1,312,763	2,322,763	-	-	
Capital reserve	Before dividend distribution	407,633	2,007,777	-	-	
	After dividend distribution	407,633	1,949,708	-	-	
Retained earnings	Before dividend distribution	1,600,046	1,809,389	-	-	
	After dividend distribution	1,285,508	1,451,684	-	-	
Unrealized gain/loss on financial instrument		0	-1,839	-	-	
Cumulative translation adjustments		-11,673	-17,984	-	-	
Predecessor Equity under joint controls		2,841,715	0	-	-	
Total shareholders' equity	Before dividend distribution	6,150,484	6,120,106	-	-	
	After dividend distribution	5,544,758	5,704,332	-	-	

Note 1: All financial information for the last 5 years has been audited.

Note 2: As required by law, the accounting of reorganization of the subsidiaries of the same business group through joint control of merger and share swap shall be taken as the entity being merged from the beginning in preparing comparative financial statements, and the financial statements covering previous period shall be recompiled. As such, the financial statements in 2011 shall be based on the recompilation of the audited financial statements of Polaris Futures and of Yuanta Futures covering the same period.

Unit: NT\$ thousand

Item		The parent company's and subsidiaries' financial information within five years (Note 1)					
		Year	2011 (Note 2)	2012	2013	2014	2015
Current assets			39,299,985	37,453,238	-	-	
Funds and investments			351,571	388,955	-	-	
Fixed assets			134,834	162,022	-	-	
Intangible assets			18,789	40,421	-	-	
Other assets			761,838	570,336	-	-	
Total assets			40,567,017	38,614,972	-	-	
Current liabilities	Before dividend distribution		34,260,598	32,403,557	-	-	
	After dividend distribution		34,575,136	32,819,331	-	-	
Long term liabilities			0	1,320	-	-	
Other liabilities			155,935	89,989	-	-	
Total liabilities	Before dividend distribution		34,416,533	32,494,866	-	-	
	After dividend distribution		34,731,071	32,910,640	-	-	
Share capital			1,312,763	2,322,763	-	-	
Capital reserve	Before dividend distribution		407,633	2,007,777	-	-	
	After dividend distribution		407,633	1,949,708	-	-	
Retained earnings	Before dividend distribution		1,600,046	1,809,389	-	-	
	After dividend distribution		1,285,508	1,451,684	-	-	
Unrealized gain/loss on financial instrument			0	-1,839	-	-	
Cumulative translation adjustments			-11,673	-17,984	-	-	
Predecessor Equity under joint controls			2,841,715	0	-	-	
Total shareholders' equity	Before dividend distribution		6,150,484	6,120,106	-	-	
	After dividend distribution		5,535,946	5,704,332	-	-	

Note 1: The financial information within five years was all audited and certified by the certified public accountants; consolidated financial statements were prepared since 2011.

Note 2: As required by law, the accounting of reorganization of the subsidiaries of the same business group through joint control of merger and share swap shall be taken as the entity being merged from the beginning in preparing comparative financial statements, and the financial statements covering previous period shall be recomplied. As such, the financial statements in 2011 shall be based on the recompilation of the audited financial statements of Polaris Futures and of Yuanta Futures covering the same period.

2. Condense statements of income - Taiwan financial reporting standards

Unit: NT\$ thousand

Item	Year	The parent company's financial information within five years (Note 1)				
		2011 (Note 2)	2012	2013	2014	2015
Operating revenues		5,591,738	3,567,794	-	-	
Operating gross profit		1,508,175	1,431,002	-	-	
Operating gains and losses		379,397	268,862	-	-	
Non-operating revenues and gains		275,265	488,703	-	-	
Non-operating expenses and losses		21,725	64,528	-	-	
Net profit before tax from continuing operations		632,937	693,037	-	-	
Net profit from continuing operations		555,572	583,498	-	-	
Gains and losses from discontinued operations		0	0	-	-	
Extraordinary gains and losses		0	0	-	-	
Cumulative effects of changes in accounting policies		0	0	-	-	
Current period profit (loss)		555,572	583,498	-	-	
Basic earnings per share (\$) (Note 3)		3.56	2.51	-	-	

Note 1: All financial information for the last 5 years has been audited.

Note 2: As required by law, the accounting of reorganization of the subsidiaries of the same business group through joint control of merger and share swap shall be taken as the entity being merged from the beginning in preparing comparative financial statements, and the financial statements covering previous period shall be recompiled. As such, the financial statements in 2011 shall be based on the recompilation of the audited financial statements of Polaris Futures and of Yuanta Futures covering the same period.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Unit: NT\$ thousand

Item	Year	The parent company's and subsidiaries' financial information within five years (Note 1)				
		2011 (Note 2)	2012	2013	2014	2015
Operating revenues		5,591,738	3,567,796	-	-	
Operating gross profit		1,508,175	1,431,004	-	-	
Operating gains and losses		378,847	266,109	-	-	
Non-operating revenues and gains		275,703	489,697	-	-	
Non-operating expenses and losses		21,613	62,769	-	-	
Net profit before tax from continuing operations		632,937	693,037	-	-	
Net profit from continuing operations		555,572	583,498	-	-	
Gains and losses from discontinued operations		0	0	-	-	
Extraordinary gains and losses		0	0	-	-	
Cumulative effects of changes in accounting policies		0	0	-	-	
Current period profit (loss)		555,572	583,498	-	-	
Basic earnings per share (\$) (Note 3)		3.56	2.51	-	-	

Note 1: The financial information within five years was audited and certified by the certified public accountants; consolidated financial statements were prepared since 2011.

Note 2: As required by law, the accounting of reorganization of the subsidiaries of the same business group through joint control of merger and share swap shall be taken as the entity being merged from the beginning in preparing comparative financial statements, and the financial statements covering previous period shall be recompiled. As such, the financial statements in 2011 shall be based on the recompilation of the audited financial statements of Polaris Futures and of Yuanta Futures covering the same period.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

(III) Names of financial statement auditors in the last 5 years, and their audit opinions

Year	Name of auditor	Auditor's firm	Audit opinion
2011	Jih-Sheng Chiu, Jih-Lung Lin	First Horwath & Company, CPAs	Modified unqualified opinion
2012	Sai-Kai Lin, Hsiu-Ling Lee	PwC Taiwan	Modified unqualified opinion
2013	Sai-Kai Lin, Hsiu-Ling Lee	PwC Taiwan	Modified unqualified opinion
2014	Sai-Kai Lin, Hsiu-Ling Lee	PwC Taiwan	Unqualified opinion
2015	Sai-Kai Lin, Hsiu-Ling Lee	PwC Taiwan	Unqualified opinion

II. Financial analysis for the previous 5 years (historical performance indicators)

(I) Financial analysis

Items of analysis		Year	Consolidated financial analysis for the latest 5 years (Note 1)			
		2011	2012	2013	2014 (adjusted) (Note 2)	2015
Financial structure%	Debt to assets ratio	-	83.04	81.15	80.26	88.08
	Ratio of long-term capital to property, plant and equipment	-	4867.75	5852.97	9254.86	9687.67
Solvency%	Current ratio	-	115.56	117.46	119.08	109.67
	Liquid ratio	-	115.53	117.43	119.07	109.66
	Interest coverage ratio	-	0	0	0	0
Profitability	Return on assets (%)	-	1.49	1.72	2.33	1.64
	Return on <u>equity</u> (%)	-	9.29	9.59	12.05	10.93
	<u>Ratio (%) of net income before tax to paid-in capital</u>	-	30.35	33.42	43.05	40.26
	Net profit margin (%)	-	21.61	27.28	38.30	26.52
	Earnings per share (\$) (Notes 3 and 4)	-	2.56	2.82	3.75	3.35
Cash flow (Note 5)	Cash flow ratio (%)	-	1.74	2.58	2.00	0.92
	Cash flow adequacy ratio (%)	-	122.82	132.60	115.92	75.81
	Cash flow reinvestment ratio (%)	-	0.22	4.28	1.64	-16.55
Special purpose ratios (%)	Shareholders' equity to adjusted total liabilities ratio	-	1938.44	2525.78	2165.92	1413.23
	Shareholders' equity to minimum paid-up capital ratio	-	556.84	596.18	633.87	576.78
	Adjusted net capital to required margins on futures traders' outstanding position	-	127.8	132.21	143.25	72.45

* The Company has prepared individual financial statement; therefore, the below financial ratios analysis is provided otherwise.

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 "Employee Benefits," 2013 version, since 2015.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Note 4: Calculations for earnings per share must take into account the following:

- ① Use weighted average outstanding ordinary shares instead of year-end outstanding shares.
- ② The weighted average outstanding shares must take into account all cash issues or treasury stock transactions, and the length of time shares were in circulation.
- ③ Where there is any capitalization from earnings or paid-in capital, the calculation of earnings per share annually or semi-annually should be adjusted retroactively and proportionally to the additional capitalization, but with no need to consider the issuing period of the capitalization.

Note 5: The cash flow analysis must take into account the following:

- ① Net cash flow from operating activities is taken from the net cash flow from operating activities presented in the cash flow statement.
- ② Capital expenditure refers to the amount of annual cash outflow for capital investments.

- ③ Dividends from preference shares with liability characteristics, as defined in Statement of Financial Accounting Standards No. 36, were not calculated as cash dividends.
- ④ Gross fixed asset refers to the amount of fixed assets before deducting accumulated depreciation.
- ⑤ The gross amount of property, plant, and equipment is the total amount of property, plant, and equipment before deducting accumulated depreciation.

The formulas of the various analyses are defined below:

1. Financial structure
 - (1) The ratio of total liabilities to total assets = total liabilities/total assets.
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equities+noncurrent liabilities) /property, plant and equipment.
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets-inventories-prepaid expense) /current liabilities.
 - (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
3. Profitability
 - (1) Ratio or return on total assets = post-tax profit or loss/average total assets.
 - (2) Return on shareholders' equity = after tax net profit/ total average equity.
 - (3) Profit ratio = net income/net sales.
 - (4) Earnings per share = (profits or loss attributable to owners of the parent company-preferred stock dividend) /weighted average stock shares issued.
4. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = net cash flow from operating activities within five years/(capital expenditure+inventory increase +cash dividend) within five years.
 - (3) Cash re-investment ratio = (net cash flow from operating activity-cash dividend) /(gross property, plant, and equipment+long-term investment, other noncurrent assets working capital).
5. Special purpose ratios:
 - (1) Shareholders' equity to total liabilities ratio = shareholders' equity / (total liabilities - futures traders' equity - provision for trading loss - provision for settlement default).
 - (2) Shareholders' equity to minimum paid-up capital ratio = shareholders' equity / minimum paid-up capital.
 - (3) Ratio of the adjusted net capital amount to the total customer margin amount for the futures trader's un-offset position = Adjusted net capital / Total customer's margin amount for the futures trader's un-offset position.

Year		Individual financial analysis within five years (Note 1)				
		2011	2012	2013	2014 (adjusted) (Note 2)	2015
Items of analysis						
Financial structure%	Debt to assets ratio	-	83.04	81.12	80.26	88.08
	Ratio of long-term capital to property, plant and equipment	-	4867.75	6044.78	9388.34	9953.83
Solvency%	Current ratio	-	114.87	116.79	118.42	108.87
	Liquid ratio	-	114.85	116.76	118.41	108.87
	Interest coverage ratio	-	0	0	0	0
Profitability	Return on assets (%)	-	1.49	1.72	2.33	1.64
	Return on <u>equity</u> (%)	-	9.29	9.59	12.05	10.93
	<u>Ratio (%) of net income before tax to paid-in capital</u>	-	30.35	33.42	43.05	40.26
	<u>Net profit margin (%)</u>	-	21.61	27.32	38.38	26.52
	Earnings per share (\$) (Notes 3 and 4)	-	2.56	2.82	3.75	3.35
Cash flow (Note 5)	Cash flow ratio (%)	-	1.75	2.62	2.05	0.94
	Cash flow adequacy ratio (%)	-	128.89	138.60	122.72	80.19
	Cash flow reinvestment ratio (%)	-	0.25	4.41	1.82	-16.43
Special purpose ratios (%)	Shareholders' equity to adjusted total liabilities ratio	-	1940.05	2539.24	2176.17	1416.59
	Shareholders' equity to minimum paid-up capital ratio	-	556.84	596.18	633.87	576.78
	Adjusted net capital to required margins on futures traders' outstanding position	-	127.80	149.55	143.25	72.45

* The financial information adopting International Financial Reporting Standards is not over 5 years; therefore, the below table of financial information adopting Taiwan financial reporting standards is provided otherwise.

Note 1: All financial information for the last 5 years has been audited.

Note 2: The effect of applying IFRSs No. 19 "Employee Benefits," 2013 version, since 2015.

Note 3: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Note 4: Calculations for earnings per share must take into account the following:

- ① Use weighted average outstanding ordinary shares instead of year-end outstanding shares.
- ② The weighted average outstanding shares must take into account all cash issues or treasury stock transactions, and the length of time shares were in circulation.
- ③ Where there is any capitalization from earnings or paid-in capital, the calculation of earnings per share annually or semi-annually should be adjusted retroactively and proportionally to the additional capitalization, but with no need to consider the issuing period of the capitalization.

Note 5: The cash flow analysis must take into account the following:

- ① Net cash flow from operating activities is taken from the net cash flow from operating activities presented in the cash flow statement.
- ② Capital expenditure refers to the amount of annual cash outflow for capital investments.
- ③ Dividends from preference shares with liability characteristics, as defined in Statement of Financial

Accounting Standards No. 36, were not calculated as cash dividends.

- ④ Gross fixed asset refers to the amount of fixed assets before deducting accumulated depreciation.
- ⑤ The gross amount of property, plant, and equipment is the total amount of property, plant, and equipment before deducting accumulated depreciation.

The formulas of the various analyses are defined below:

1. Financial structure
 - (1) The ratio of total liabilities to total assets = total liabilities/total assets.
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equities+noncurrent liabilities) /property, plant and equipment.
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets-inventories-prepaid expense) /current liabilities.
 - (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
3. Profitability
 - (1) Ratio or return on total assets = post-tax profit or loss/average total assets.
 - (2) Return on shareholders' equity = after tax net profit/ total average equity.
 - (3) Profit ratio = net income/net sales.
 - (4) Earnings per share = (profits or loss attributable to owners of the parent company-preferred stock dividend) /weighted average stock shares issued.
4. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = net cash flow from operating activities within five years/(capital expenditure+inventory increase +cash dividend) within five years.
 - (3) Cash re-investment ratio = (net cash flow from operating activity-cash dividend) /(gross property, plant, and equipment+long-term investment+other noncurrent assets+working capital).
5. Special purpose ratios:
 - (1) Shareholders' equity to total liabilities ratio = shareholders' equity / (total liabilities - futures traders' equity - provision for trading loss - provision for settlement default).
 - (2) Shareholders' equity to minimum paid-up capital ratio = shareholders' equity / minimum paid-up capital.
 - (3) Ratio of the adjusted net capital amount to the total customer margin amount for the futures trader's un-offset position = Adjusted net capital / Total customer's margin amount for the futures trader's un-offset position.

(II) Financial analysis - Taiwan financial reporting standards

Items of analysis		Year	The parent company's financial analysis within five years (Note 1)				
		2011	2012	2013	2014	2015	
Financial structure%	Debt to assets ratio	84.84	84.15	-	-		
	Long term capital as a percentage of fixed assets	4,561.52	3,794.14	-	-		
Solvency%	Current ratio	114.18	114.90	-	-		
	Liquid ratio	114.16	114.87	-	-		
	Interest coverage ratio	0	0	-	-		
Profitability	Return on assets (%)	1.88	1.53	-	-		
	Return on shareholders' equity (%)	12.33	9.51	-	-		
	As a percentage of paid up capital (%)	Operating profit	28.90	11.58	-	-	
		Pre-tax net profit	48.21	29.84	-	-	
	Net profit margin (%)	9.47	14.38	-	-		
	Base earnings per share (\$) (Note 2, 3)	3.56	2.51	-	-		
Cash flow (Note 4)	Cash flow ratio (%)	1.28	3.31	-	-		
	Cash flow adequacy ratio (%)	123.53	143.55	-	-		
	Cash flow reinvestment ratio (%)	3.64	7.38	-	-		
Special purpose ratios (%)	Shareholders' equity to adjusted total liabilities ratio	1,139.99	1,577.19	-	-		
	Shareholders' equity to minimum paid-up capital ratio	523.45	514.29	-	-		
	Adjusted net capital to required margins on futures traders' outstanding position	147.90	127.80	-	-		

Note 1: All financial information for the last 5 years has been audited.

Note 2: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Note 3: Calculations for earnings per share must take into account the following:

- ① Use weighted average outstanding ordinary shares instead of year-end outstanding shares.
- ② The weighted average outstanding shares must take into account all cash issues or treasury stock transactions, and the length of time shares were in circulation.
- ③ Where there is any capitalization from earnings or paid-in capital, the calculation of earnings per share annually or semi-annually should be adjusted retroactively and proportionally to the additional capitalization, but with no need to consider the issuing period of the capitalization.

Note 4: The cash flow analysis must take into account the following:

- ① Net cash flow from operating activities is taken from the net cash flow from operating activities presented in the cash flow statement.
- ② Capital expenditure refers to the amount of annual cash outflow for capital investments.
- ③ Dividends from preference shares with liability characteristics, as defined in Statement of Financial

Accounting Standards No. 36, were not calculated as cash dividends.

- ④ Gross fixed asset refers to the amount of fixed assets before deducting accumulated depreciation.
- ⑤ The gross amount of property, plant, and equipment is the total amount of property, plant, and equipment before deducting accumulated depreciation.

The formulas of the various analyses are defined below:

1. Financial structure
 - (1) The ratio of total liabilities to total assets = total liabilities/total assets.
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equities+noncurrent liabilities) /property, plant and equipment.
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets-inventories-prepaid expense) /current liabilities.
 - (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
3. Profitability
 - (1) Return on assets = (after tax net profit + interest expenses x (1- tax rate)) / average asset balance.
 - (2) Return on shareholders' equity = after tax net profit/ total average equity.
 - (3) Profit ratio = net income/net sales.
 - (4) Earnings per share = (profits or loss attributable to owners of the parent company-preferred stock dividend) /weighted average stock shares issued.
4. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = net cash flow from operating activities within five years/(capital expenditure+inventory increase +cash dividend) within five years.
 - (3) Cash re-investment ratio = (net cash flow from operating activity-cash dividend) /(gross property, plant, and equipment+long-term investment+other noncurrent assets+working capital).
5. Special purpose ratios:
 - (1) Shareholders' equity to total liabilities ratio = shareholders' equity / (total liabilities - futures traders' equity - provision for trading loss - provision for settlement default).
 - (2) Shareholders' equity to minimum paid-up capital ratio = shareholders' equity / minimum paid-up capital.
 - (3) Ratio of the adjusted net capital amount to the total customer margin amount for the futures trader's un-offset position = Adjusted net capital / Total customer's margin amount for the futures trader's un-offset position.

Items of analysis		Year	The parent company's and subsidiaries' financial analysis within five years (Note 1)				
		2011	2012	2013	2014	2015	
Financial structure%	Debt to assets ratio	84.84	84.15	-	-		
	Long term capital as a percentage of fixed assets	4,561.52	3,778.14	-	-		
Solvency%	Current ratio	114.71	115.58	-	-		
	Liquid ratio	114.69	115.56	-	-		
	Interest coverage ratio	0	0	-	-		
Profitability	Return on assets (%)	1.88	1.53	-	-		
	Return on shareholders' equity (%)	12.33	9.51	-	-		
	As a percentage of paid up capital (%)	Operating profit	28.86	11.46	-	-	
		Pre-tax net profit	48.21	29.84	-	-	
	Net profit margin (%)	9.47	14.38	-	-		
	Base earnings per share (\$) (Note 2, 3)	3.56	2.51	-	-		
Cash flow (Note 4)	Cash flow ratio (%)	1.28	3.32	-	-		
	Cash flow adequacy ratio (%)	123.51	147.41	-	-		
	Cash flow reinvestment ratio (%)	3.63	7.46	-	-		
Special purpose ratios (%)	Shareholders' equity to adjusted total liabilities ratio	1,139.87	1,576.04	-	-		
	Shareholders' equity to minimum paid-up capital ratio	523.45	514.29	-	-		
	Adjusted net capital to required margins on futures traders' outstanding position	147.90	127.80	-	-		

Note 1: The financial information within five years was all audited and certified by the certified public accountants; consolidated financial statements were prepared since 2011.

Note 2: Earnings per share is calculated based on the weighted average number of ordinary shares outstanding. Retrospective calculations are made for any shares issued against capitalized earnings and reserves.

Note 3: Calculations for earnings per share must take into account the following:

- ① Use weighted average outstanding ordinary shares instead of year-end outstanding shares.
- ② The weighted average outstanding shares must take into account all cash issues or treasury stock transactions, and the length of time shares were in circulation.
- ③ Where there is any capitalization from earnings or paid-in capital, the calculation of earnings per share annually or semi-annually should be adjusted retroactively and proportionally to the additional capitalization, but with no need to consider the issuing period of the capitalization.

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The formula of the various analyses are defined below:

1. Financial structure
 - (1) The ratio of total liabilities to total assets = total liabilities/total assets
 - (2) Ratio of long-term capital to property, plant and equipment = (Total equities+noncurrent liabilities) /property, plant and equipment.
2. Solvency
 - (1) Current ratio = current assets / current liabilities.
 - (2) Quick ratio = (current assets-inventories-prepaid expense) /current liabilities
 - (3) Interest coverage ratio = net profit before interest and tax / interest expenses for the current period.
3. Profitability
 - (1) Return on assets = (after tax net profit + interest expenses x (1- tax rate)) / average asset balance.
 - (2) Return on shareholders' equity = after tax net profit/ total average equity.
 - (3) Profit ratio = net income/net sales
 - (4) Earnings per share = (profits or loss attributable to owners of the parent company-preferred stock dividend) /weighted average stock shares issued
4. Cash flow
 - (1) Cash flow ratio = net cash flow from operating activities / current liabilities.
 - (2) Cash flow adequacy ratio = net cash flow from operating activities within five years/(capital expenditure+inventory increase +cash dividend) within five years
 - (3) Cash re-investment ratio = (net cash flow from operating activity-cash dividend) /(gross property, plant, and equipment+long-term investment+other noncurrent assets+working capital)
5. Special purpose ratios:
 - (1) Shareholders' equity to total liabilities ratio = shareholders' equity / (total liabilities - futures traders' equity - provision for trading loss - provision for settlement default).
 - (2) Shareholders' equity to minimum paid-up capital ratio = shareholders' equity / minimum paid-up capital.
 - (3) Ratio of the adjusted net capital amount to the total customer margin amount for the futures trader's un-offset position = Adjusted net capital / Total customer's margin amount for the futures trader's un-offset position

III. Audit report on the most recent year financial statements by the audit committee

Yuanta Futures Co., Ltd.
Audit Committees' Review Report

For the Company's 2015 consolidated financial statements, financial statements and the 2015 business report and statement of retained earnings presented by the board of directors, in which, the financial statements were audited by CPA Sekai Lin and CPA Xiou-Ling Li of PricewaterhouseCoopers with an adjusted unqualified opinion stated in the independent auditor's report.

The statements referred to above were audited by the Audit Committee without any nonconformity found and a report was issued with the unanimous agreement of the committee members in accordance with Article 219 of the Company Law.

Best regards

The 2016 Annual General Meeting of Yuanta Futures Co., Ltd.

The Audit Committee of Yuanta Futures Co., Ltd.

Convener Mr. Lai, Kun-Hung

March 24, 2016

- IV. Latest financial statements: refer to attachment of this annual report.
- V. The Company's individual financial statements audited and certified by a certified public accountant in the most recent fiscal year. Please refer to attachment of this annual report.
- VI. If the Company or any of its affiliated companies had, in the recent 2 years up until the publishing of this annual report, experienced financial distress, the impacts to the Company's financial status must be disclosed: **none**.

Seven. Review of financial status, business performance, and risk management issues

I. Consolidated financial status

Unit: NT\$ thousand

Item	Year	2015	2014 (After adjustment)	Difference	
				Amount	Variation (%)
Current assets		54,851,638	36,003,882	18,847,756	52.35
Fixed assets		70,570	80,954	(10,384)	(12.83)
Intangible assets		35,166	41,599	(6,433)	(15.46)
Other assets		1,894,478	1,600,456	294,022	18.37
Total assets		56,851,852	37,726,891	19,124,961	50.69
Current liabilities		50,015,264	30,234,715	19,780,549	65.42
Non-current liabilities		59,481	41,148	18,333	44.55
Total liabilities		50,074,745	30,278,863	19,795,882	65.38
Share capital		2,322,763	2,322,763	0	0
Capital reserve		940,976	1,940,976	(1,000,000)	(51.52)
Retained earnings		2,694,519	2,546,954	147,565	5.79
Other equity		818,849	637,335	181,514	28.48
Total shareholders' equity		6,777,107	7,448,028	(670,921)	(9.01)

Major changes in assets, liabilities, and shareholders' equity in the last two years (variations more than 20% and amounting to at least NT\$10 million); describe their causes, impacts, and any responsive plans made in the future:

- (I) Fixed Assets: Due to the decrease of current real estate and equipment procurement over the previous period.
- (II) Total assets: Due to the increase of current customer margin over the previous period.
- (III) Current liabilities: Due to the increase of current futures trader's equity over the previous period.
- (IV) Noncurrent liabilities: Due to the increase of current accrued pension liabilities over the previous period.
- (V) Total liabilities: Due to the increase of current futures trader's equity over the previous period.
- (VI) Additional paid-in capital: Due to the distribution of cash dividend from current additional paid-in capital.
- (VII) Other equity: Due to increase in unrealized gain of available-for-sale financial assets – current.

II. Consolidated financial performance

Unit: NT\$ thousand

Item \ Year	2015	2014 (after adjustments)	Increase (decrease)	Variation (%)
Operating revenues	2,929,929	2,274,034	655,895	22.84
Operating gross profit	1,421,834	1,160,488	261,346	22.52
Operating gains and losses	407,954	227,853	180,101	79.04
Non-operating revenues and expenses	527,166	772,168	(245,002)	(31.73)
Earnings before tax	935,120	1,000,021	(64,901)	(6.49)
Income tax expense	158,027	128,976	29,051	22.52
Current period net profit	777,093	871,045	(93,952)	(10.79)
Current other general gains and losses (post-tax profit or loss)	165,195	57,575	107,620	186.92
Total comprehensive income for the period	942,288	928,620	13,668	1.47

(I) Significant variations in the last 2 years (for variations above 20%)

1. Operating income: Due to the increase of current brokerage fee income.
2. Operating gross profit: Due to the increase of current brokerage fee income.
3. Operating gains and losses: Due to the increase of current brokerage fee income and the decrease of operating expenses.
4. Non-operating income and expense: Due to the decrease of current exchange benefits.
5. Income tax expense: Due to the increase of current operating profits.
6. Other current omnibus profit or loss (after tax): It was due to the increase of unrealized profit or loss of the current available-for-sale financial assets and the decrease of the exchange spread from the conversion of financial statements of foreign institutions.

(II) Expected sales and the basis of estimation, the likely impacts on The Company's future financial position, and responsive plans

The compilation of 2016 budget of the Company is based on the actual business performance of each profit center in 2014 and the current business achievement forecasted for 2015, together with the business development strategy of the entire company. In addition, the government is continually developing domestic futures market, researching and launching new futures instruments, reducing investment restrictions and taxes, all the above are helping the overall futures market transaction volume to further expand in the future. As the first OTC futures merchant in the country, the Company hopes to employ the good foundation already established to collaborate with the policies of the authorities and continues to grow with the futures market of Taiwan.

III. Consolidated cash flow

(I) Changes in consolidated cash flow for the current year (2015)

Unit: NT\$ thousand

Opening cash balance (1)	Net cash flow from operating/investing/financing activities for the year (2)	Cash outflow for the year (3)	Cash surplus (deficit) (1)+(2)-(3)	Financing of cash deficits	
				Investment plans	Financing plans
5,644,233	356,721	(1,613,209)	4,387,745	-	-

Consolidated cash flow changes for the current year

Item	Increase (decrease) in net cash flow	Description
Operating activities	\$ 459,967	Due to brokerage business and proprietary trade strategies.
Investing activities	(108,504)	Due to the increase of the available-for-sale financial assets, fund settlement and clearing, and the procurement of real estate and equipment.
Finance activities	(1,613,209)	It is due to the distribution of cash dividends and cash refund from the additional paid-in capital.
Foreign exchange impact amount	5,258	
Total	\$ (1,256,488)	

(II) Plans to improve liquidity

1. Financing of cash deficits: not applicable.
2. Liquidity analysis for the last 2 years

Unit: NT\$ thousand

Item	Year		
	2015	2014	Variation (%)
Cash flow ratio (%)	0.92	2.00	(54.00)
Cash flow adequacy ratio (%)	75.81	115.92	(34.60)
Cash flow reinvestment ratio (%)	-16.55	1.64	(1109.15)
Explanation to major variations:			
(1) The decrease of cash flow ratio is mainly due to the decrease of benefits from the disposal of the available-for-sale financial assets over the previous period.			
(2) The decrease of cash flow ratio was mainly due to the increase of the last five-year net cash inflow over the previous period and the decrease of the last five-year cash dividend distribution and capital expenditure over the previous period.			
(3) The decrease of cash reinvestment ratio was mainly due to the decrease of the current net cash inflow from operating activities over the previous period and the increase of the cash dividends distribution over the previous period.			

(III) Liquidity analysis for the next year (2016)

Unit: NT\$ thousand

Opening cash balance	Expected net cash flow from operating activities for the year	Expected cash outflow for the year	Expected cash surplus (deficit) (1)+(2)-(3)	Financing of cash deficits	
				Investment plans	Financing plans
4,387,745	581,405	(754,000)	4,215,150	-	-
Responsive measures and liquidity analysis on cash flow deficits: not applicable.					

IV. Material capital expenditures in the latest year and impacts on business performance:

- (I) Major capital expenditures and funding sources: The Company did not incur any major capital expenditures in 2015.
- (II) Impacts of major capital expenditures to corporate finance: there are no significant impacts to The Company's finance.

V. The major causes for profits or losses incurred by investments during the most recent year; rectifications and investment plans for the next year

(I) The Company's investment policy

The Company's investments were planned and executed according to its internal controls and its "Long and short-term investment policy". As part of its administration over invested businesses, the Accounting Department analyzes investees' financial statements on a regular basis for insights into their individual business operations. The Financial Department is also responsible for administrating The Company's investments. The Company has also established "Procedures on intercompany financial transactions" and "Regulation Governing Direct Investments" to regulate and manage.

- (II) The major causes for profits or losses incurred by invested businesses, and any corrective actions

Unit: NT\$ thousand

Name of investee	Main business activities	Sum of initial investment	Investment gains/loss recognized in the latest year	Main causes of profit or loss	Corrective plans
MF G Investment Consulting Co., Ltd.	Investment Consulting Services Management Consulting Services	13,665	(807)	The revenue was not sufficient for the fixed expenditures.	Pending liquidation
Yuanta Futures (HK) Co., Limited	Category II: business dealing in futures contracts Category V: giving advices on futures contracts	193,319	(1,860)	The business license was acquired in 2012 and the business operation was initiated at the end of 2012; therefore, the business scale is yet to be expanded.	Expand business scope, increase brokerage fee income
SYF Information Co., Ltd.	IT software and information processing service providers	350,000	(12,717)	Commenced operation at the end of 2012; only research costs, investment loss, and interest revenue.	Acquired investment company, registered for operation, recognizing investment gains
SYF Information (SAMOA) Limited	Investment holding	29,046	(3,436)	The business operation was initiated at the end of 2012; therefore, there were only investment loss and interest income reported.	Acquired investment company, registered for operation, recognizing investment gains
SYF Information (Shanghai) Limited	IT software and information processing service providers	14,995	(3,154)	Commenced operation at the end of 2013, only research costs.	Expand business scope

- (III) Investment plan for the upcoming year: there is no investment plan of significant value

for the Company and its subsidiaries in the coming year.

VI. Risk disclosure:

(I) Impact of interest rates, exchange rates, and inflation to the Company's earnings, and the response measures

1. Impacts of exchange rate variations to the Company's profit and loss, and responsive measures in the future

(1) The Company engages in futures services. It derives income mainly from domestic investors, and most of which are denominated in the local currency. For commission revenues denominated in foreign currencies, the Company recognizes them as income at least once a month in accordance with its Customers' Margin Policy. In 2015, changes in the RMB exchange rate resulted in a net loss of NT\$20,161 thousand, which represented 0.69% of consolidated revenues and 2.16% of consolidated pre-tax net profit rate. Judging from the above, exchange rate variations had limited impacts on revenues and earnings.

(2) Responses to exchange rate variations: The Company is not in need of making significant payments in foreign currencies, except for placing cash margins or paying USD interests on excess margins received using its foreign currency revenues. As a result, the Company monitors exchange rate movements based on the information provided by its banking partner for the best timing to make exchanges. The timing of currency exchange depends on the exchange rate spread, interest rate spread, capital requirement, and movements in the foreign currency market.

2. Impacts of interest rate variations to the Company's profit and loss, and responsive measures in the future

(1) The Company engages in futures services and generates stable cash streams by offering customers a globalized trading platform, and therefore the Company has no external borrowings. Additionally, futures are traded with prepaid margins where futures traders must first deposit sufficient cash margin before trading in futures or options contract, causing the Company to pay interest on customers' margin account. The domestic and overseas customers' margin account in 2012 increased due to the merger of Yuanta Futures; though since the economy has not fully recovered, central banks in every country continues to adopt an expansionary monetary policy, resulting in the market interest rate still maintained at a low level. Net interest income for the Company decreased from NT\$416,406 thousand in 2014 to NT\$468,078 thousand in 2015, representing a movement of NT\$ 51,672 thousand; the rate of change was 12.41%. The impacts of interest rate variations on revenues and net profits increase with total margin balances.

(2) The Company will seek to minimize the impacts of interest rate variations on profit and loss by adopting the optimal financial structure and working closely with banks and various financial institutions to exploit the dynamics of the financial market.

3. Impacts of inflation to the Company's profit and loss, and responsive measures in the future

Inflation triggers changes in interest rates, exchange rates, unemployment rates and other economic uncertainties, and is therefore considered a material factor to the overall economy and financial activities. It is a common consensus around the world that central banks should primarily aim to stabilize commodity prices, because price stability is the only foundation on which an economy is able to achieve balanced and perpetual growth. According to the statistics published by the Directorate-General of

Budget, Accounting, and Statistics, Executive Yuan, our consumer price index increased by 1.93%, 0.79%, 1.20% and -0.31% in 2012, 2013, 2014 and 2015, respectively. Under the effects of rising commodity prices, oil prices, changes in the NT\$ exchange rate and the export price index etc., the wholesale price index increased by -1.16%, -2.43%, -0.51% and -8.84% in 2012, 2013, 2014 and 2015, respectively.

Inflation induced by commodity prices will trigger producers' needs to hedge against material prices and speculators' desires to exploit price spreads, and thereby contributing trade volumes to the futures market. Being a globalized futures service provider, The Company expects to gain from increased volatility in commodity prices.

- (II) Policies on high risk and highly leveraged investments, loans to others, endorsements / guarantees, and the trading of derivative instruments; describe the main causes of profit or loss and responsive measures in the future

The Company specializes in derivatives trading mainly in the form of futures and options. All traded instruments have been approved by the competent authority. Within the available capital authorized by the Board of Directors, the Company structures, executes, reviews, and revises trading strategies according to internal policies and prescribed procedures as means for managing its trading gains/losses. Computer programs were incorporated to facilitate automated control within proper areas of responsibilities, so that every trading strategy and authorized personnel bear limited amounts of quantified risk; and it is within this risk tolerance that the Company seeks to maximize its trading profits.

Proprietary trading inevitably involves the risks of losses under unfavorable circumstances. However, a consistent trading strategy will ensure profitability over the long term, and the focus lies in maintaining possible short-term losses within manageable levels for maximum long-term profitability. Therefore in addition to monitoring value at risk on holding positions, the Company needs to implement standard operating procedures and computerized controls to minimize operational risks.

Since its inception, the Company has bested other industry participants in terms of profits and profit stability, because of its competitive advantage in personnel talents, trading strategies, and risk management. The Company will continue to grow these professional abilities to become a large-scale, globalized asset management institution.

Pursuant to the "Rules Governing Futures Commission Merchants", futures commission merchants are not allowed to lend funds or offer endorsements/guarantees to others.

- (III) Future research and development plans, and the projected expenses

1. Future R&D

The Company's Research Department will enhance the strategic research in the future. Strategic research has been an important part of research projects. In addition to combining futures consulting, risk control, and research internally, the focus will also be on integrating products and services. Yuanta APP information contents had been reinforced in 2015 to provide market news flash and instant message (quantitative and qualitative). Also, offers special report in the APP – hot series reading channel, so that customers can master the relevant research reports more quickly. In addition, provide diversified solutions to brokerage business, including MultiCharts, EXCEL VBA strategic tools programs and to meet the business needs requested by the relevant sales representatives.

In addition, intend to combine more diversified data research and software and hardware equipment externally for creating the core value of R&D. As for the future R&D efforts, the intention is to strengthen the uniqueness of the study. The Director of

the Research Department will study domestic and foreign options strategic development in-depth. The diversified deployment strategy among different commodities and the construction of metering programs will remain the focuses of future study. The added-value of the research will be expanded in the year to come in order to support the strategic products needed by the large brokerage team and to meet customer needs. In addition to expecting the research result commercialized, the professional research will become the backbone of the brokerage team in promoting products sales.

Future research directors of the Company IT department:

- (1) Firmly establish the new IT company: The Company has obtained approvals from the authorities to establish a new IT company with 100% proprietary capital to further invest in overseas and Mainland Chinese IT companies. The role had been established in Shanghai and played actively by combining services for Taiwan, China and overseas. For Taiwan, we focus on the information disclosure of securities and futures industry, application of trading strategy and risk management field, provide technical proprietary development and professional consultancy services. For China and overseas, through leveraging the IT international advantage in “live order placement system” and “simultaneous matching capability”, combining professional futures consulting, to proactively seek cooperation with IT vendors and futures firms in providing developments of product add-on professional trading software in best pursuit of simplicity, understandability, and ready-to-hand for customers.
- (2) Strengthen high frequency trading infrastructure: As the trading speed of futures and options approach micro seconds era, the Company will leverage its existing advantage in IT to continuously strengthen trading system backbone to meet the high frequency speed demand from international corporations, and through continuous optimization of high frequency trading platform to develop domestic and overseas professional investment institutions and VIP accounts by providing professional technical services and explore benefits from IT peripheral services.
- (3) Business information integrated R&D: The Company has always focused on development of IT, and offers the most selection of ordering interface at the moment; innovation and designs closes to customer needs are attracting renowned trading exchanges from overseas to learn from us. In the future, with the experience and advantage in promoting options business and services to corporations, combining with IT development and product sales to conduct packaged sales on consultancy service, thus providing a business model with complete solution.
- (4) Mobile trading platform R&D: Given the booming mobile network communications, the Company intends to invest in mobile trading platform R&D through the Company’s strong information platform and based on the existing speed risk control system and speed connection system of Taiwan Futures Exchange in order to provide customers with more convenient and faster order placing environment.
- (5) Assist the Group’s overseas branches: Actively assist the Group’s overseas branches to integrate the futures trading platform with the Company’s platform technology and experience in order to provide better services to customers and to reduce operating cost.

2. Estimated R*D expenses

Planning to invest a certain ratio of the turnover as R*D expense in 2016.

Including acquisition of IT equipment, employee job rotation and training, purchase and maintenance of database.

- (IV) The effect of major changes in policies and legal practices, whether domestic or foreign, to the Company's financial and business performance, and the responsive actions:

For changes in important policies and legislation both domestically and overseas, relevant department personnel of the Company and each subsidiaries has performed analysis and evaluation on their impact to each business items beforehand, and then adjust related operational strategy and procedures when appropriate in response to the changes in relevant policies and legislations.

- (V) Effects of technological and industrial changes to the Company's financial and business performance, and the responsive actions:

The advance of Internet technology changed the ways transactions are made, and how services are delivered. Futures commission merchants now require more specialized talents and more advanced equipment to accommodate the rise of e-trades, and offer more complex software to deliver online services. Apart from purchasing new IT equipment, The Company also focuses on developing new software packages for customers, and training for its IT staff.

- (VI) Impacts of changes in corporate image to the Company's crisis management, and the responsive measures

From the day it was first incorporated, the Company has been renowned for its professional management, comprehensive services, and proprietary IT technologies. On top of which was a strong proprietary trading team that delivered top-notch performance and profitability in the futures industry. The Company's professional reputation has long been recognized in the market. However, the Company unavoidably faces competition from others in the industry both domestically and overseas. Therefore, the Company merged with Yuanta Futures on April 1, 2012, and through integrating the resources from Yuanta Financial Holdings and the old Polaris group, we not only endeavor in securing our existing advantages within domestic futures market, but also continue to form strategic cooperation internationally and proactively participate in the China futures market.

- (VII) The expected benefits from mergers and acquisitions, the potential risks associated, and the responsive measures:

Through merger, the two parties can make the best allocation of their overlapping businesses, personnel, software and hardware to improve competitive advantage, and thereby strengthening business foundations as a whole, achieve economies of scale, and raise worldwide competitiveness.

- (VIII) The expected benefits from plant expansion, the potential risks associated, and the responsive measures: none.

- (IX) Risks of concentrated purchases or sales, and responsive measures to such risks: not applicable.

- (X) The risks and impacts of significant shareholding transfers by directors, supervisors, or major shareholders with more than 10% ownership interest, and the responsive measures to such risks:

The Company and its subsidiaries are operated by professional managers with thorough authorization and management regulations clearly defining the scope of responsibilities for each level of personnel to realize segregation of duties, as a result when a director or a major shareholder with over 10% holding transfer or exchange shareholdings, the impact to the Company is minimal.

(XI) The effects, risks and responsive measures associated with changes in management:

The main operational plans of the Company are proposed by professional managers after evaluating of the overall industry and market environment, and then executed after approval by the board of directors. The Company has also established complete organizational structure with clear distinctions on the responsibilities of each department. Through effective internal control systems, coordination and communications between departments to fully realize operational strategies with operational efficiency and ensuring operating result, so a change in operational right has minimal impact on company operation and risk.

(XII) Litigation and non-contentious cases:

1. For any material litigations, non-litigious or administrative disputes (whether concluded or pending for judgment) in the last 2 years up until the publishing date of this annual report that may produce material impacts to shareholders' equity or securities prices, information regarding the underlying facts, amounts, starting date, parties involved and the current progress must be disclosed:

Facts	Target Amount (NT\$)	Commencement date of litigation	Main parties involved in the litigation	Status up to the publish date of annual report	Remarks
Customer claimed that the former employee had solicited business and agent futures trade with false propaganda and program trading resulting in loss. Therefore, a civil lawsuit was brought against the Company for an infringement act committed; also, requested the Company and the former employee to be held liable for indemnification jointly.	Calculate the interest of NT\$290,230 and US\$196,124.5 at 5% per annum. (Additional claim added in the second instance) standby declaration USD 36,651	March 2012	The Company (previously known as MF Global Futures) and former employee, Mr. Hsu, were co-defendants and Mr. Ma, the client, was the plaintiff.	Taiwan Taipei District Court ruled in January 2014 to dismiss the lawsuit that was filed by the plaintiff. The Company won the lawsuit. The client objected to the ruling with an appeal filed that is currently pending for a trial at Taiwan High Court.	The case has no significant impact to the Company's operation or shareholders' equity.

2. Material litigations, non-litigious or administrative disputes (whether concluded or pending for judgment) involving the Company or its Directors, General Manager, representative, major shareholders with more than 10% shareholding, or affiliates in the last year up until the publishing date of this annual report, which may significantly affect shareholders' equity or securities prices: **none**.

(XIII) Other significant risks and responsive measures:

The Company's risk management structure:

The risk management organization of the Company includes the board of directors, audit committee, audit department, senior managements, risk management department, legal compliance department, and all business units to collective form three layers in risk management.

1. First Layer: Each business unit is the department for the daily operation and management, and is the unit and personnel for risk identification, self-evaluation and execution and implementation of controls.
2. Second layer: The executive management, Risk Management, and Compliance are responsible for monitoring and managing risks based on The Company's risk appetite, and implementing responsive measures.
3. The third line of defense: The Board of Directors, Audit Committee, and Auditing Department are the third line of defense for Risk Management. The Auditing Department adopts a risk-oriented auditing approach. The Board of Directors and the Audit Committee, in addition to setting annual risk tolerance, have the risk of the overall business and management assessed comprehensively to ensure that the risks of the Company are within the effective control.

VII. Other important matters: The Company did not adopt the hedge accounting principle.

Eight. Special remarks

I. Affiliated companies

Please see pages 140~146 of this annual report

II. Private placement of securities during the latest year up until the publication date of this annual report: none.

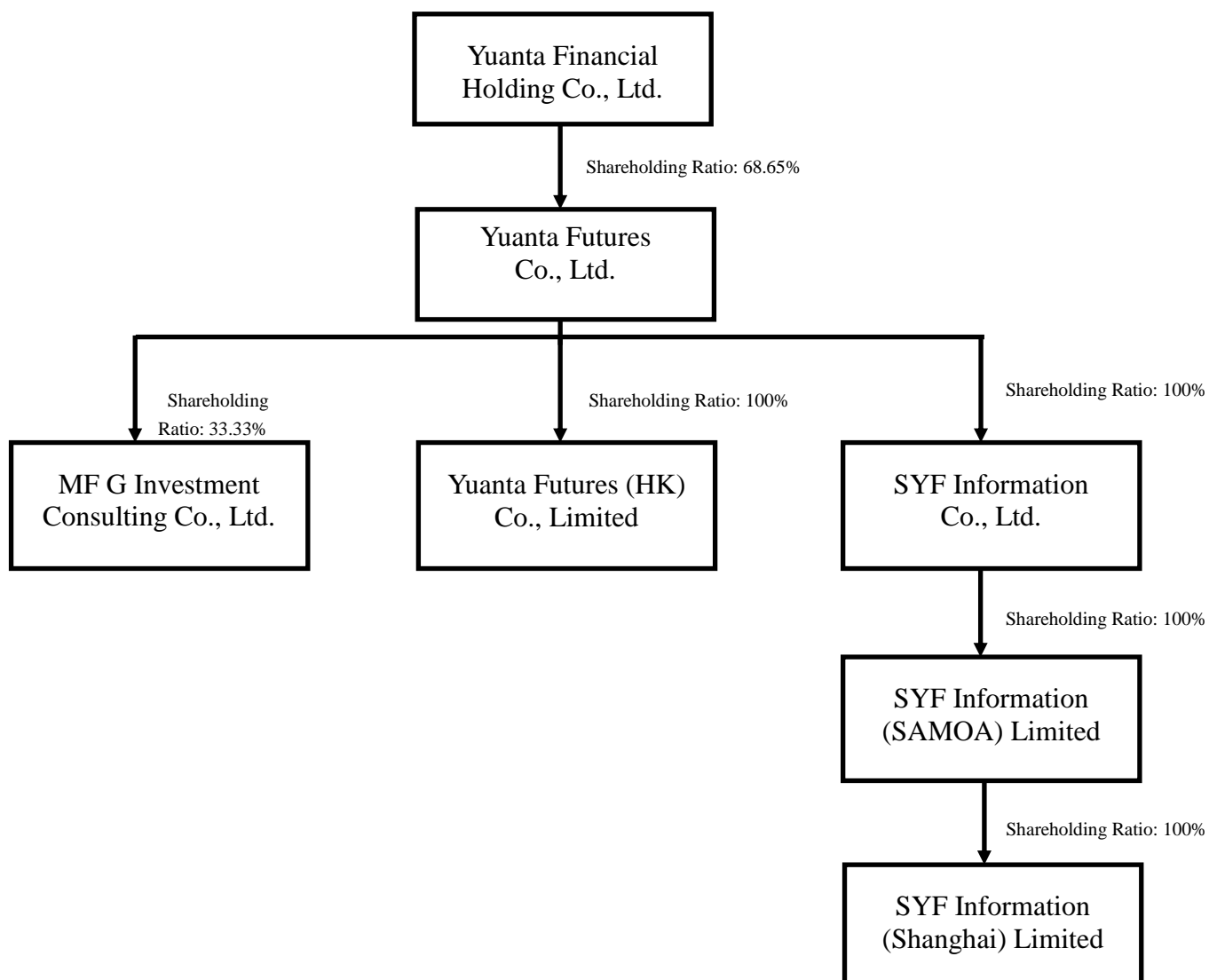
III. Holding or disposal of the Company's shares by its subsidiaries during the latest financial year, up to the publication date of this annual report: **none**.

IV. Other necessary information: The items undertaken by the Company at the time of going OTC has always been declared to the GRSM quarterly as required, and there are no uncompleted undertakings for OTC yet.

V. Occurrences of events defined under Article 36-2-2 of the Securities Exchange Act in the latest year up until the publishing date of this annual report that significantly impacted shareholders' equity or security prices: **none**.

1. Organization chart and share structure of Yuanta Futures related enterprises

Reinvestment organization chart and related enterprises of Yuanta Futures



2. Basic information of affiliated enterprises

In NT\$ thousand, USD thousand, RMB thousand

Date of information: February 29, 2016

Name of enterprise	Date of foundation	Address	Paid-up Capital	Main business activities or products
Yuanta Futures (HK) Co., Limited	2010.12.02	23th Floor, Admiralty Centre Tower 1, No.18 Harcourt Rd, Admiralty, Hong Kong	US\$ 6,000	Category II: business dealing in futures contracts Category V: giving advices on futures contracts
SYF Information Co., Ltd.	2012.11.09	7F-4, No. 181, Fuxing N. Rd., Taipei City	350,000	Information management, information software services, information software wholesale and retail
SYF Information (SAMOA) Limited	2012.11.15	Portcullis TrustNet Chambers P. O. Box 1225, Apia, SAMOA	US\$1,000	Investment holding
SYF Information (Shanghai) Limited	2012.04.02	Room 706B, AZIA Center, No.1233 Lujiazui Huan Rd, Pudong New Area, Shanghai.	CNY\$3,000	Calculator software, e-commerce software, and banking software research and development, production, sale of proprietary products, and the relevant technical advisory services; investment consultation; metal materials (except for precious metals, rare metals, and steel) and its products, chemical raw materials (except for special chemicals and hazardous chemicals) and its products, plastics and its products, rubber products, mineral products (except for the controlled items), asphalt wholesale, agency commission (except for auction), and import and export. (The quota and chartered merchandises other than those traded by the states should be applied for in accordance with the relevant regulations. The items subject to the approval of the law should not be promoted commercially without the approval of the relevant department.)

3. Information on directors, supervisors, and general managers of affiliated enterprises

Date of information: February 29, 2016

Name of enterprise	Title	Name or the representative person	Shares held		Remarks Personal shareholding of the	
			Shares (Thousand Shares)	Shareholding percentage	Shares (Thousand Shares)	Shareholding percentage
Yuanta Futures (HK) Co., Limited	Director	Ms. Chou, Hsiao-Ling	6,000	100%	-	-
	Director	Chen, Chun-Hung				
	Director	Mr. Kuo, Yu-Hong				
	Director	Chang, Chun-Hao				
	Controller	Chen, Chun-Hung				
SYF Information Co., Ltd.	Chairman	Mr. Kuo, Yu-Hong	35,000	100%	-	-
	Director	Ms. Chou, Hsiao-Ling				
	Director	Li, Min-Lung				
	Supervisor	Mr. Chen, Hsiu-Wei				
	General Manager	Zhang Li-Yuan				
SYF Information (SAMOA) Limited	Director	Mr. Kuo, Yu-Hong	1,000	100%	-	-
	Director	Ms. Chou, Hsiao-Ling				
	Director	Zhang Cai-Yu				
SYF Information (Shanghai) Limited	Chairman	Mr. Kuo, Yu-Hong	(Note)	100%	-	-
	Director	Ms. Chou, Hsiao-Ling				
	Director	Li, Min-Lung				
	Supervisors	Mr. Chen, Hsiu-Wei				

Note: The Company is organized as a limited company; therefore, it is with stock rights but not stock shares.

4. Business Performance of Affiliated Enterprises

Unit: NT\$ thousand

Date of information: December 31, 2015

Name of enterprise	Share capital	Total assets	Total liabilities	Net value	Operating revenues	Operating profit	Current period profit (after tax)	Earnings per share (\$) (After tax)
Yuanta Futures (HK) Co., Limited	198,850	177,008	682	176,326	93	-5,492	-1,860	-0.31
SYF Information Co., Ltd.	350,000	326,641	452	326,189	-	-9,927	-12,717	-0.36
SYF Information (SAMOA) Limited	33,066	22,955	-	22,955	-	-139	-3,436	-3.44
SYF Information (Shanghai) Limited	16,161	7,151	5	7,146	-	-3,480	-3,154	-

(II) The affiliate's consolidated financial statements: Please refer to attachment of this annual report.

(III) Affiliation Reports:

Declaration

The Company's 2015 Affiliation Report (for the period from January 1 to December 31, 2015) has been prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises". No material discrepancies were found between the information disclosed in the above report and the notes to financial statements for the corresponding period.

Declared by:

Company name: Yuanta Futures Co., Ltd.

Chairman: Mr. Lin, Tien-Fu

March 24, 2016

Auditor's opinion on relationship report

(2016) zi-kuai-zhong-15006888

Recipient: Yuanta Futures Co., Ltd.

The Company hereby declares that the 2015 Business Report was prepared in accordance with the "Regulations Governing the Preparation of Affiliate's Consolidated Business Reports, Affiliate's Consolidated Financial Reports, and Relationship Reports;" also, the information disclosed in the 2014 Business Report was not significantly different from the information disclosed in the Notes to the financial reports referred to above.

We have compared the business report that was prepared in accordance with the "Regulations Governing the Preparation of Affiliate's Consolidated Business Reports, Affiliate's Consolidated Financial Reports, and Relationship Reports" and the information disclosed in the Notes to the 2015 financial reports without any significant nonconformity found.

PwC Taiwan

Ms. Lin, Sekai

CPA

Ms. Li, Hsiu-Ling

Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval Document No.:

Jin-Guan-Cheng-6-0960072936

Jin-Guan-Cheng-6-0960038033

March 24, 2016

Affiliation Report

I. Relationship between the controlling and the controlled company

Unit: shares; %

The Name of Controlling Company	Means of Control	Shares Held and Pledged by the Controlling Company			Directors, Supervisors or Managers Appointed by the Controlling Company	
		Number of shares held (shares)	Shareholding percentage (%)	Shares Pledged	Title	Name
Yuanta Financial Holding Co., Ltd.	Exercises significant influence	159,467,282	68.65	-	Director	Mr. Lin, Tien-Fu
					Director	Ms. Chou, Hsiao-Ling
					Director	Mr. Ho, Ming-Hong
					Director	Mr. Kung, Shao-Hsing
Shen-Dai Investment Co., Ltd.	Mr. Rongzhou Wang and Mr. Ding-Chen Shen appointed by Shen-Dai Investment Co., Ltd. as the representatives of the institutional director have acted as the Chairman and Deputy Chairman of Yuanta Financial Holdings; therefore, they have control over the personnel, finance and business operation in accordance with Article 369.2 Paragraph 2 of the Company Law.	-	-	-	Director	Ms. Chen, Hsiu-Mei
					Director	Mr. Kuo, Yu-Hong
					-	-

Note: The cut-off date for the above information was scheduled on December 31, 2015. As of December 31, 2015, the Company had 232,276,288 shares in circulation.

II. Transactions with the above parties:

1. Trading of inventory: none
2. Trading of property: none
3. Financing: none
4. Asset lease: none
5. Disclosure of major transactions: none

III. Guarantees and endorsements: none

IV. Disclosure of other financial or business items with material impact: none

Attachment

Auditor's Report

(2016) Tsai-Shen-Pao-Tzu No. 15003125

To Yuanta Futures Co., Ltd.:

We have audited the accompanying proprietary balance sheet of Yuanta Futures Co., Ltd. (formerly known as Polaris Futures Co., LTD.) as of December 31, 2015 and 2014 and the related individual statements of income, retained earnings, and cash flows for the years then ended. These individual financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the "Rules Governing the Examination of Financial Statements by Certified Public Accountants" and generally accepted auditing standards in the Republic of China. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Yuanta Futures Co., Ltd. as of December 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended in conformity with the Regulations Governing the Preparation of Financial Reports by the Futures Commission Merchants.

PwC Taiwan

Ms. Lin, Sekai

CPA

Ms. Li, Hsiu-Ling

Securities and Futures Bureau, Financial Supervisory
Commission, Executive Yuan

Approval Document No.: Jin-Guan-Cheng-6-0960072936

Jin-Guan-Cheng-6-0960038033

March 24, 2016

Yuanta Futures Co., Ltd.
(Formerly: Yuanta Futures Co., Ltd.)
Individual Balance Sheet
December 31, 2015 and 2014

Unit: NT\$ thousand

Assets	Additional notes	December 31, 2015		(After adjustment) December 31, 2014		(After adjustment) January 1, 2014		
		Amount	%	Amount	%	Amount	%	
Current assets								
111100	Cash and cash equivalents	6(1) and 7	\$ 3,989,794	7	\$ 5,474,176	15	\$ 5,041,864	14
112000	Financial assets at fair value through profit or loss- current	6(2) and 11	566,309	1	123,052	-	10,059	-
113400	Available-for-sale financial assets - current	6 (4)	37,876	-	52,151	-	28,440	-
114070	Customers' margin accounts	6(3) and 7	49,756,070	88	30,083,366	80	29,912,214	81
114080	Futures trading margin receivable		703	-	16	-	-	-
114100	Stock Borrowing Margin (SBL) - paid	7	25,901	-	-	-	-	-
114110	Notes receivables		-	-	-	-	162	-
114130	Accounts receivable		31,148	-	9,735	-	2,923	-
114140	Accounts receivable - related parties	7	5,200	-	4,982	-	2,944	-
114150	Prepayments		4,635	-	4,125	-	7,680	-
114170	Other receivable		8,675	-	37,207	-	30,566	-
114180	Other receivables - related parties	7	26,054	-	7,775	-	65,484	-
114600	Current Income Tax Asset		453	-	453	-	366	-
119000	Other current assets		31	-	5	-	16	-
110000	Total of Current Assets		<u>54,452,849</u>	<u>96</u>	<u>35,797,043</u>	<u>95</u>	<u>35,102,718</u>	<u>95</u>
Non-Current assets								
123400	Available-for-sale financial assets - non-current	6 (4)	1,079,719	2	899,218	2	911,235	2
124100	Investments accounted for by the equity method	6 (5)	511,034	1	219,949	1	232,320	1
125000	Property and equipment	6 (8)	68,683	-	79,803	-	116,594	-
127000	Intangible assets	6 (9)	31,355	-	34,522	-	40,694	-
128000	Deferred income tax assets	3 (1) and 6(25)	17,758	-	8,363	-	9,428	-
129010	Business guaranty bond	6(6) and 7	185,000	-	185,000	1	185,000	1
129020	Settlement / clearance fund	6 (7)	491,338	1	479,669	1	490,030	1
129030	Guarantee deposits paid	7	9,585	-	9,768	-	12,147	-
129040	Deferred expenses		-	-	-	-	1,199	-
129130	Prepayment for equipment purchase		3,392	-	7,919	-	3,891	-
120000	Total of Non-Current Assets		<u>2,397,864</u>	<u>4</u>	<u>1,924,211</u>	<u>5</u>	<u>2,002,538</u>	<u>5</u>
906001	Total assets		<u>\$ 56,850,713</u>	<u>100</u>	<u>\$ 37,721,254</u>	<u>100</u>	<u>\$ 37,105,256</u>	<u>100</u>

(Continued next page)

Yuanta Futures Co., Ltd.
(Formerly: Yuanta Futures Co., Ltd.)
Individual Balance Sheet
December 31, 2015 and 2014

Unit: NT\$ thousand

Liabilities and equity	Additional notes	December 31, 2015		(After adjustment) December 31, 2014		(After adjustment) January 1, 2014		
		Amount	%	Amount	%	Amount	%	
Current liabilities								
212000	Financial liabilities at fair value through profit or loss-current	11						
		\$ 10,069	-	\$ 5,989	-	\$ 1,178	-	
214080	Futures traders' equity	6(3) and 7	49,595,196	87	29,930,972	79	29,823,326	80
214130	Accounts payable		138,829	-	92,968	-	47,771	-
214140	Accounts payable - related parties	7	25,938	-	25,285	-	16,750	-
214160	Agency Receipts		5,185	-	4,950	-	3,496	-
214170	Other payable		185,359	1	143,007	1	143,602	1
214180	Other payables - related parties	7	434	-	466	-	183	-
214600	Current Income Tax Liability		46,257	-	17,493	-	14,331	-
219000	Other current liabilities		6,858	-	7,948	-	5,774	-
210000	Total of current liabilities		<u>50,014,125</u>	<u>88</u>	<u>30,229,078</u>	<u>80</u>	<u>30,056,411</u>	<u>81</u>
Non-current liabilities								
225100	Liabilities reserve- non-current	3 (1) and 6(10)	59,481	-	39,440	-	46,667	-
228000	Deferred income tax liabilities	6 (25)	-	-	4,708	-	1,958	-
220000	Total of non-current liabilities		<u>59,481</u>	<u>-</u>	<u>44,148</u>	<u>-</u>	<u>48,625</u>	<u>-</u>
906003	Total liabilities		<u>50,073,606</u>	<u>88</u>	<u>30,273,226</u>	<u>80</u>	<u>30,105,036</u>	<u>81</u>
Share capital								
301010	Ordinary shares capital	6 (11)	2,322,763	4	2,322,763	6	2,322,763	6
Additional paid-in capital								
302000	Additional paid-in capital	6 (12)	940,976	2	1,940,976	5	1,940,976	5
Retained earnings								
304010	Legal earnings reserve	6 (14)	561,535	1	474,475	1	409,088	1
304020	Special reserve	6 (13)	1,375,086	2	1,200,965	3	1,090,016	3
304040	Undistributed earnings	3 (1) and 6(14)	757,898	1	871,514	3	653,020	2
Other equity								
305000	Other equity	6 (15)	818,849	2	637,335	2	584,357	2
906004	Total equity		<u>6,777,107</u>	<u>12</u>	<u>7,448,028</u>	<u>20</u>	<u>7,000,220</u>	<u>19</u>
906002	Total liabilities and equity		<u>\$ 56,850,713</u>	<u>100</u>	<u>\$ 37,721,254</u>	<u>100</u>	<u>\$ 37,105,256</u>	<u>100</u>

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Formerly: Yuanta Futures Co., Ltd.)
Individual comprehensive income statements
January 1 to December 31, 2015 and 2014

Unit: NT\$ thousand
(except EPS in NT\$)

Item	Additional notes	2015		(After adjustment) 2014		
		Amount	%	Amount	%	
Revenue						
401000	Brokerage commission	6(16) and 7	\$ 2,715,603	93	\$ 2,049,079	90
410000	Net loss on disposal of operating securities	6 (17)	(27,813)	(1)	(13,051)	-
421300	Dividend income		5,386	-	10,137	1
421500	Net profit of securities trade measured at the fair value through profit or loss		7,741	-	4,076	-
421600	SBL and reverse sell margin-trading-short - net loss		(157)	-	-	-
424200	security commission earned	7	3,398	-	3,588	-
424300	Settlement and clearance fees	6(18) and 7	90,325	3	97,032	4
424400	Net gains in the derivative financial instruments	6 (2) (19)	121,807	4	111,567	5
424800	Management fee income		-	-	52	-
424900	Consultancy fee income		13,770	1	7,077	-
428000	Other operating revenue (loss)	7	(207)	-	177	-
400000	Total revenues		<u>2,929,853</u>	<u>100</u>	<u>2,269,734</u>	<u>100</u>
Expense						
501000	Brokerage commission expenses	6 (20)	(491,601)	(17)	(351,358)	(15)
502000	Proprietary trade service charge	6 (20)	(14,094)	-	(11,153)	(1)
521200	Financial costs	7	(29,071)	(1)	(15,158)	(1)
524100	Futures commission expenses	6(21) and 7	(560,895)	(19)	(412,989)	(18)
524300	Clearance and settlement service expenses		(412,434)	(14)	(322,736)	(14)
531000	Employee Benefit expenses	3 (1) and 6(23)	(555,612)	(19)	(480,857)	(21)
532000	Depreciation and amortization expenses	6 (22)	(58,291)	(2)	(68,678)	(3)
533000	Other operating expenses	6(22) and 7	(380,863)	(13)	(356,912)	(16)
500000	Total Expense		<u>(2,502,861)</u>	<u>(85)</u>	<u>(2,019,841)</u>	<u>(89)</u>
Operating profit						
601100	Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6 (5)	(15,384)	(1)	(23,400)	(1)
602000	Other profits and losses	6(24) and 7	<u>523,512</u>	<u>18</u>	<u>773,528</u>	<u>34</u>
902001	Earnings before tax		<u>935,120</u>	<u>32</u>	<u>1,000,021</u>	<u>44</u>
701000	Income tax expense	3 (1) and 6(25)	(158,027)	(6)	(128,976)	(6)
902005	Current period net profit		<u>777,093</u>	<u>26</u>	<u>871,045</u>	<u>38</u>

(Continued next page)

Yuanta Futures Co., Ltd.
 (Formerly: Yuanta Futures Co., Ltd.)
Individual comprehensive income statements
January 1 to December 31, 2015 and 2014

Unit: NT\$ thousand
 (except EPS in NT\$)

Item	Additional notes	2015		(After adjustment) 2014	
		Amount	%	Amount	%
Other general gains and losses					
Items that are not reclassified as profit and loss:					
805510	Defined benefit plan revaluation amount and volume	6 (10)			
		(\$ 19,662)	-	\$ 5,538	-
805599	Income tax related to accounts not being reclassified				
		3,343	-	(941)	-
Accounts to be reclassified to profit or loss subsequently:					
805610	Exchange differences arising from translating the financial statements of foreign operations	6 (15)			
				7,812	-
805620	Unrealized valuation gains on financial asset available for sale	6 (4) (15)			
				11,029	1
805660	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for under equity method	6 (15)			
				175,045	6
		(1,343)	-	-	-
Other comprehensive income (post-tax profit or loss)					
				165,195	6
Total comprehensive income for the period					
				\$ 942,288	32
Earnings per ordinary share					
	6 (26)				
	Base earnings per share			\$ 3.35	\$ 3.75

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

Chairman: Mr. Lin, Tien-Fu General Manager: Ms. Chou, Hsiao-Ling Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Formerly: Yuanta Futures Co., Ltd.)
Individual statement of changes in equity
January 1 to December 31, 2015 and 2014

Unit: NT\$ thousand

	Additional notes	Additional paid-in capital			Retained earnings			Other equity		Total equity
		Ordinary shares capital	Share Premium	Consolidated Premium Amount	Legal earnings reserve	Special reserve	Undistributed earnings	Exchange differences arising from translating the financial statements of foreign operations	Unrealized gains or losses on financial asset available for sale	
2014 (After adjustment)										
Balance at January 1, 2014	6 (11)	\$ 2,322,763	\$ 1,894,643	\$ 46,333	\$ 409,088	\$ 1,090,016	\$ 657,865	(\$ 12,314)	\$ 596,671	\$ 7,005,065
The influence of the application and reclassification in retrospect		-	-	-	-	-	(4,845)	-	-	(4,845)
Balance on January, 1 2014 after adjustment		2,322,763	1,894,643	46,333	409,088	1,090,016	653,020	(12,314)	596,671	7,000,220
Dividend allocation and distribution for 2013 (Note 1)	6 (14)									
Legal earnings reserve		-	-	-	65,387	-	(65,387)	-	-	-
Special reserve		-	-	-	-	130,774	(130,774)	-	-	-
Reversal of Special reserve		-	-	-	-	(19,825)	19,825	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(480,812)	-	-	(480,812)
2014 net profit		-	-	-	-	-	871,045	-	-	871,045
2014 Other comprehensive profit		-	-	-	-	-	4,597	11,029	41,949	57,575
Balance at December 31, 2014		\$ 2,322,763	\$ 1,894,643	\$ 46,333	\$ 474,475	\$ 1,200,965	\$ 871,514	(\$ 1,285)	\$ 638,620	\$ 7,448,028
2015										
Balance at January 1, 2015	6 (11)	\$ 2,322,763	\$ 1,894,643	\$ 46,333	\$ 474,475	\$ 1,200,965	\$ 871,514	(\$ 1,285)	\$ 638,620	\$ 7,448,028
Dividend allocation and distribution for 2014 (Note 2)	6 (14)									
Legal earnings reserve		-	-	-	87,060	-	(87,060)	-	-	-
Special reserve		-	-	-	-	174,121	(174,121)	-	-	-
Cash dividend to shareholders		-	-	-	-	-	(613,209)	-	-	(613,209)
Distribution of cash dividends from capital surplus		-	(1,000,000)	-	-	-	-	-	-	(1,000,000)
2015 Net profit		-	-	-	-	-	777,093	-	-	777,093
2015 Other comprehensive profit		-	-	-	-	-	(16,319)	7,812	173,702	165,195
Balance at December 31, 2015		\$ 2,322,763	\$ 894,643	\$ 46,333	\$ 561,535	\$ 1,375,086	\$ 757,898	\$ 6,527	\$ 812,322	\$ 6,777,107

Note 1: Employee bonus of NT\$2,935 and remuneration for directors and supervisors of NT\$500 has been deducted from the comprehensive income statements of 2013.

Note 2: Employee bonus of NT\$2,890 and remuneration for directors and supervisors of NT\$700 has been deducted from the comprehensive income statements of 2015.

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(Formerly: Yuanta Futures Co., Ltd.)
Individual Cash Flow Statement
January 1 to December 31, 2015 and 2014

Unit: NTS thousand

	Additional notes	2015	(After adjustment) 2014
Cash flow from operating activities			
Pre-tax profit for the current period		\$ 935,120	\$ 1,000,021
Adjustments			
Income and expenses having no effect on cash flows			
Depreciation	6 (22)	52,219	57,827
Amortizations	6 (22)	6,072	10,851
Interest income	6 (24)	(463,263)	(411,576)
Interest expenses		29,071	15,158
Gains from disposal of financial assets available for sale	6 (4)	(2,235)	(278,912)
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6 (5)	15,384	23,400
Gains from disposal of property or equipment		-	(85)
Prepaid equipment amount recognized as expense		-	96
Dividend income		(37,086)	(38,548)
Changes in assets/liabilities relating to operating activities			
Net changes in assets relating to operating activities			
Financial assets at fair value through profit or loss-current		(443,257)	(112,993)
Customers' margin accounts		(19,672,704)	(171,152)
Futures trading margin receivable		(687)	(16)
Stock Borrowing Margin (SBL) - paid		(25,901)	-
Notes receivables		-	162
Accounts receivable		(21,413)	(6,812)
Accounts receivable - related parties		(218)	(2,038)
Prepayments		(510)	3,555
Other receivable		(218)	(269)
Other receivables - related parties		(15,311)	59,859
Other current assets		(26)	11
Net changes in liabilities relating to operating activities			
Financial liabilities at fair value through profit or loss-current		4,080	4,811
Futures traders' equity		19,664,224	107,646
Accounts payable		45,861	45,197
Accounts payable - related parties		653	8,535
Agency Receipts		235	1,454
Other payable		43,303	3,523
Other payables - related parties		14	86
Other current liabilities		(1,090)	2,174
Liabilities reserve- non-current		379	(1,689)
Net cash provided by operating activities		112,696	320,276
Interest received		489,045	403,054
Income tax paid		(140,023)	(123,027)
Dividends received		37,086	38,548
Interest paid		(30,068)	(19,079)
Net cash inflow from operating activities		468,736	619,772
Cash flow from investing activities			
Acquisition of available-for-sale financial assets		(96,267)	(50,362)
Proceeds from disposal of financial assets available for sale		107,321	359,529
Increase in Investments accounted for by the equity method		(300,000)	-
Purchase of property and equipment	6 (8)	(15,914)	(12,235)
Proceeds from disposal of property or equipment		-	450
Increase in intangible assets	6 (9)	(1,947)	(1,400)
Decrease (Increase) in settlement / clearance fund		(11,669)	10,361
Decrease in Guarantee deposits paid		183	2,379
Increase in installment on equipment		(20,658)	(13,865)
Net cash inflow (outflow) from investing activities		(338,951)	294,857
Cash flow from financing activities			
Cash dividend distribution	6 (14)	(1,613,209)	(480,812)
Net cash outflow from financing activities		(1,613,209)	(480,812)
Impact of change in exchange rate on cash and cash equivalent		(958)	(1,505)
Increase (decrease) in cash and cash equivalents for the current period		(1,484,382)	432,312
Opening balance of cash and cash equivalents		5,474,176	5,041,864
Closing balance of cash and cash equivalents		\$ 3,989,794	\$ 5,474,176

Please refer to the notes enclosed in the individual financial reports that are an integral part of the individual financial statements.

Chairman: Mr. Lin, Tien-Fu

General Manager: Ms. Chou, Hsiao-Ling

Accounting Supervisor: Mr. Chou, Yu-Cheng

Yuanta Futures Co., Ltd.
(formerly known as Polaris Futures Co., LTD.)
Notes to individual financial statement
January 1 to December 31, 2015 and 2014

Unit: NT\$ thousand
(Except where otherwise stated)

I. Company history

- (I) Yuanta Futures (hereafter referred as the “Company”) originally Polaris Futures Co., Ltd., was established on April 9, 1997, merged with Refco Taiwan Co., Ltd., on September 1, 2003, and changed name to Polaris Refco Futures Co., Ltd. In order to reflect changes in foreign shareholders' position as at the end of 2005, the Company passed a resolution during an extraordinary shareholders meeting held on February 15, 2006, and was permitted by the Ministry of Economic Affairs to change its name to Polaris Futures Co., Ltd.

Polaris MF Futures Co., Ltd., was merged with Yuanta Futures Co., Ltd., according to the resolution reached in the extraordinary shareholders' meeting on October 6, 2011. The merger was approved with the FSC.Jen.Tzi No. 1000052507 Letter issued and it was merged at the exchange ratio of 1: 1.01; also, Polaris MF Futures Co., Ltd. was the surviving company with the base date of merger scheduled on April 1, 2012 and renamed as “Yuanta Polaris Futures Co., Ltd.” and was renamed again as “Yuanta Futures Co., Ltd.” with the resolution reached in the general shareholders' meeting on May 21, 2015.

- (II) Main business scope of this company is brokering of domestic and offshore futures, internal business, futures consulting, futures management, securities internal business and other futures related work approved by the authority. As of December 31, 2015, our company has already established 4 branch offices as business locations

II. Date On Which And Procedures By Which The Financial Reports Were Authorized For Issuance.

These individual financial statements were authorized for issuance by the Board of Directors on March 24, 2016.

III. Application Of New Standards, Amendments And Interpretations

- (I) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

According to the FSC.Jen.Shen.Tzi No. 1030010325 Order of the Financial Supervisory Commission on April 3, 2014, the listed/OTC companies and emerging companies shall start applying the International Financial Reporting Standards (IFRSs) (excluding IFRSs 9 “Financial Instruments”), 2013 version, that was approved and published by the Financial Supervisory Commission since the year of 2015 and shall have financial statements prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants” (referred to as “IFRSs 2013 version” hereinafter) since the year of 2015. The impact of the Company's applying the IFRSs, 2013 version, is as follows:

1. IAS 19 “Employee benefit”

The Standard is amended regarding the net interest derived from having the net benefit liability defined (asset) multiplied by the discount rate; also, it is applied to

replace the interest cost before the amendment made to the Standards and the expected return on the plan assets. Prior period service cost shall be recognized as profit or loss when incurred instead of having it recognized as expense in accordance with the straight line method during the period prior when it met the vested conditions. Enterprises have severance benefits recognized when the severance benefits agreement cannot be cancelled or when recognizing the related restructuring costs whichever is sooner instead of recognizing the severance benefits as a liability and expense when the commitment of resignation is confirmed.

The Company had unrecognized prior period service cost fully recognized with the accrued pension liability increased by NT\$5,838 and NT\$5,307, deferred income tax assets-noncurrent increased by NT\$993 and NT\$902, and unappropriated retained earnings decreased by NT\$4,845, and NT\$4,405 on January 1, 2014 and December 31, 2014, respectively. The employee benefit expense was decreased by NT\$530 and the income tax expense was increased by NT\$90 in 2014.

2. IAS 1 “Presentation of Financial Statements”

The presentation of the other consolidated profit and loss is amended according to the Standards. The items expressed in the other consolidated profit and loss are classified into two categories according to their nature: “items that are not reclassified as profit and loss subsequently” and “items that are reclassified as profit and loss subsequently.” According to the amendment referred to above, for the consolidated profit and loss account that is expressed in an amount before tax, the related tax shall be presented separately in accordance with the said two categories. The Company will have the presentation of the consolidated income statement changed in accordance with the Standards.

3. IFRS 13 “Fair value measurement”

Fair value is defined in the Standards as the amount to be collected for the assets sold or an amount to be paid for the liabilities transferred by the market participants in an orderly manner on the measurement date. The framework for the measurement of fair value shall be based on the viewpoint of market participants; the measurement of non-financial assets shall be based on the highest and best state of use; also, the disclosure of fair value measurement shall be regulated. According to the assessment performed, the Standards do not have a significant impact on the Company’s financial position and financial performance; also, the disclosure of fair value measurement will be performed.

(II) Effect of new issuances of or amendments to IFRSs as endorsed by the FSC but not yet adopted by the Company and subsidiaries

none.

(III) IFRSs issued by IASB but not yet endorsed by the FSC

The newly released, revised and amended 2013 IFRSs standards and interpretations by the IASB but not yet recognized by the FSC are summarized as follows:

New releases / amendments / revisions of the Standards and Interpretations	Effective date announced by the International Accounting Standards Board
IFRS 9 “Financial instruments”	January 1, 2018
Amendment to IFRSs 10 and IAS 28 “The Assets Sales or Purchase between Investors and Their Affiliates or Joint Ventures”	To be determined by the “International Accounting Standards

New releases / amendments / revisions of the Standards and Interpretations	Effective date announced by the International Accounting Standards Board
	Board (IASB).
Amendment to IFRSs 10 and 12 and IAS 28 “Investment Entity: Application except for merger”	January 1, 2016
Amendment to IFRS 11 “Accounting for the Acquisition of Joint Venture Equity”	January 1, 2016
Amendment to IFRS 14 “The Control of Deferred Account”	January 1, 2016
Amendment to IFRS No. 15 “Income of Customer Contract”	January 1, 2018
IFRS 16 “Leases”	January 1, 2019
IAS 1 Amendment “Disclosure Initiative”	January 1, 2016
IAS 7 Amendment “Disclosure Initiative”	January 1, 2017
IAS 12 Amendment “Recognition of unrealized losses of deferred income tax assets”	January 1, 2017
Amendment to IAS 16 and 38 “Clarification of the acceptable depreciation and amortization method”	January 1, 2016
Amendment to IAS 16 and 41 “Agriculture: Plant Production”	January 1, 2016
Amendment to IAS 19 “Defined benefit plans: Employee’s appropriation”	July 1, 2014
Amendment to IAS 27 “Equity method in the Proprietary financial statements”	January 1, 2016
Amendments to IAS 36 “Recoverable amount disclosures for non-financial assets”	January 1, 2014
Amendment to IAS 39 “Derivatives Contract Replacement and Hedge Accounting Continuity”	January 1, 2014
IFRSs Interpretation No. 21 “Taxation”	January 1, 2014
Improvements to IFRSs 2010-2012	July 1, 2014
Improvements to IFRSs 2011-2013	July 1, 2014
Improvements to IFRSs 2012-2014	January 1, 2016

The Company is in the process of assessing the potential impact of the new standards and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

IV. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these individual financial statements are set out below. These policies have been consistently applied to all the period presented, unless otherwise stated.

(I) Statement of Compliance

The individual financial statements were prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants.”

(II) Basis of Preparation

1. Except for the following items, these individual statements have been prepared under

the historical cost convention:

- (1) Financial assets and liabilities (including derivative instruments) at fair value through profit or loss
 - (2) Available-for-sale financial assets measured at fair value.
 - (3) The defined benefit liabilities are recognized according to the pension fund assets deducting the present value of the defined benefit obligation.
2. The financial statements are prepared in accordance with the International Financial Reporting Standards, international accounting standards, interpretation and interpretation notice (referred to as “IFRSs” hereinafter) that is recognized and approved by the FSC requires the use of some critical accounting estimates; also, the judgment by the management is required while using the Company’s accounting policies. Please refer to Note 5 for the items involving extensive judgment or complexity, or significant assumptions and estimates related to the individual financial statements.

(III) Foreign-currency translations

The items in the Company’s individual financial report are measured in the currency (i.e. the functional currency) prevailing in the primary economic environment. The individual financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

1. Foreign Currency Transactions and Balances

- (1) Transactions denominated in foreign currency are translated into a functional currency at the spot exchange rate on the date of the transaction or measurement. Foreign currency differences arising from translating such transactions are recognized in current profit or loss.
- (2) The foreign currency asset or liability balances are revaluated based on the spot exchange rate of the balance sheet date, and any exchange difference arising from the adjustment is included in the profit and loss for the year.
- (3) Non-monetary assets and liabilities denominated in foreign currency held at fair value through profit or loss are re-translated at the exchange rates prevailing at the individual balance sheet date; their translation differences are recognized in current profit or loss; non-monetary assets and liabilities denominated in foreign currency held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the individual balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currency that are not measured at fair value are translated using the historical exchange rates at the date of the initial transaction.
- (4) All exchange gains and losses are reported in the “Other profits and losses” account of the individual consolidated income statements.

2. Translation of the financial statements of foreign operations

The operating results and financial position of all the subsidiaries and affiliated enterprises in the consolidated financial statements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (1) Assets and liabilities presented in the balance sheet are translated at the closing exchange rates prevailing on the individual balance sheet date.
- (2) Income and expenses presented in the Statement of individual comprehensive income are translated at the average exchange rates for the period.
- (3) All resulting exchange differences are recognized in other comprehensive income.

(IV) Criteria for distinguishing Current or Non-Current on the Balance Sheet

1. Assets that meet one of the following criteria are classified as current assets:

- (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle.
- (2) Held mainly for the purpose of trading
- (3) Assets that are expected to be realized within twelve months from the balance sheet date.
- (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve month after the balance sheet date.

The Company classifies assets that do not meet any of the above criteria as non-current assets.

2. Liabilities that meet one of the following criteria are classified as current liabilities

- (1) Liabilities that are expected to be paid off within the normal operating cycle.
- (2) Held mainly for the purpose of trading
- (3) Expected to be repaid within 12 months of the balance sheet date
- (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the individual balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies liabilities that do not meet any of the above criteria as non-current assets.

(V) Cash Equivalent

“Cash and cash equivalents” in the individual balance sheet includes cash on hand, due from other banks, short-term highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

(VI) Financial assets at fair value through profit or loss

1. Financial assets are at fair value through profit or loss are financial assets held for trading purpose. Financial assets are classified as held for trading purpose if acquired principally for the purpose of selling in the short-term. Derivatives are classified as financial assets held for trading purpose unless they are designated as hedges.
2. On a regular way purchase or sale basis, financial assets held for trading purpose are accounted for using trade date accounting.
3. Financial assets at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in current profit or loss. Subsequent appraisal is at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(VII) Available-for-sale financial assets

1. Available-for-sale financial assets are non-derivatives that are either designated as available-for-sale or not classified in any of the other categories.
2. On a regular way purchase or sale basis, available-for-sale financial assets are accounted for using trade date accounting.
3. Available-for-sale financial assets are initially recognized at fair value plus transaction costs. Subsequent appraisal is at fair value, and any changes in the fair value of these financial assets are recognized in other comprehensive income.

(VIII) Customers' margin accounts

Customers' margin accounts represent cash margins and premiums collected from futures traders, and their daily marked-to-market differences as required by the Futures Trading Act.

(IX) Futures trader equity / Futures transaction deposit receivable

Futures trader equity is the deposit or royalty paid for futures trading, and the differences from settlement of daily market price, and recorded under current liabilities. This cannot be offset unless it is the same type of account from the same customer; if futures traders equity is in debit balance, then it shall be recorded as futures deposits receivable and seek payment from trader.

(X) Loans and Receivables

Loans and receivables are originated by the entity and refer to amounts receivable from customers arising from the direct Provision of merchandise or services. Loans and receivables are measured at fair value on initial recognition and subsequently at the amortized cost using the effective interest rate less provision for impairment. Short-term non-interest bearing accounts receivable are measured subsequently at the original amount as the effect of discount is insignificant.

(XI) Impairment of Financial Assets

1. The Company assesses at each balance sheet date to determine whether there is objective evidence of impairment on a financial asset or a group of financial assets. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a single or several loss event(s) has (have) occurred after the initial recognition of the asset, and that the "loss event" has an impact on the future cash flows of the asset that can be estimated reliably.
2. Objective evidence that a financial asset or a company of financial assets is impaired includes:
 - (1) Significant financial difficulty of the issuer or debtor;
 - (2) A breach of contract, such as a default or delinquency in interest or principal payments;
 - (3) The lender, for economic or legal reasons relating to the borrower's financial difficulty, granting to the borrower a concession that the lender would not otherwise consider;
 - (4) It becomes probable that the borrower will enter bankruptcy or other financial reorganization;
 - (5) The disappearance of an active market for that financial asset because of the issuer's financial difficulties;
 - (6) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including adverse changes in the payment status of borrowers in the group or changes in national or local economic conditions that correlate with defaults on the assets in the group;
 - (7) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in the equity instrument may not be recovered; or
 - (8) A significant or prolonged decline in the fair value of an investment in an equity instrument below cost.

3. When the Company assesses that there is objective evidence of impairment and an impairment loss has occurred, accounting for impairment is made as follows according to the category of financial assets:

(1) Financial assets measured at amortized cost

The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognized in current profit or loss. If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortized cost that would have been at the date of reversal had the impairment loss not been recognized previously. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(2) Available-for-sale financial assets

The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortization) and current fair value, less any impairment loss on that financial asset previously recognized in profit or loss, and is reclassified from "other comprehensive income" to "profit or loss". If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognized, then such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognized in profit or loss shall not be reversed through profit or loss in the current period. Impairment loss is recognized and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(XII) Derecognition of financial assets

When the Company's contractual rights received from the cash flows of financial assets are invalid, the financial assets will be written-off.

(XIII) Investment accounted for under the equity method/ subsidiaries and associates

1. The subsidiaries of the Company refers to the business entities (including the structured business entity) controlled by the Company. When the Company is exposed to the variable return of the subsidiary or is entitled to such variable return; also, when the Company can influence such variable return through the power over the subsidiary, the Company controls the subsidiary.
2. The unrealized gains and losses resulting from the transactions conducted between the Company and its subsidiaries had been written-off. Subsidiaries' financial statements are adjusted to align the accounting policies with those of the Company.
3. The Company recognizes the shares of profit and/or loss of subsidiaries after acquisition as the profit and/or loss of the current term, and recognized the shares of profit and/or loss of other consolidated income after acquisition as other consolidated profit and/or loss of the current term. In the event that the shares of losses in a subsidiary recognized by the Company exceed the Company's equity in that subsidiary, the Company would continually recognize the losses *pro rata* to the shareholder percentages.
4. The term "associates" as set forth herein refers to the entities upon which the Company holds significant effect but holds no controlling power, normally as the

shares of more than 20% of the voting power held by the Company either directly or indirectly. Over the investment in associates, the Company adopts the equity method, recognizing them at cost at the moment of acquisition.

5. The Company's share of its associates' post-acquisition profits or losses is recognized in profit or loss in the current period, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate (including any other unsecured receivables), the Company does not recognize further losses, unless it has incurred statutory/constructive obligations or made payments on behalf of the associate.
6. When there is an equity change in non-profit and loss and other consolidated profit and loss occurring to the affiliated enterprises that do not affect the shareholding of the affiliated enterprises, the Company will have the equity change recognized as "additional paid-in capital" proportionally to the shareholding ratio.
7. Unrealized gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
8. When the Company disposes of its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are accounted for on the same basis as direct disposal of related assets or liabilities, that is, profit or loss previously recognized in other comprehensive income are reclassified to profit or loss when related assets or liabilities are disposed of. When the Company loses significant influence over the associate, the aforesaid profit or loss is reclassified from retained earnings to profit or loss. If it still retains significant influence over the associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.
9. When the Company disposes its investment in an associate and loses significant influence over this associate, capital surplus previously recognized in relation to the associate is reclassified to profit or loss. If it still retains significant influence over the associate, then the amounts previously recognized are reclassified to profit or loss proportionately in accordance with the disposal percentage.
10. As expressly provided for in "Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants": The profit or loss for the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss for the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

(XIV)Property and equipment

1. Equipment is initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.
2. Subsequent costs are included in the asset's carrying amount or recognized as a spare asset, as appropriate, only when it is probable that future economic benefits

associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

3. Subsequent appraisal of equipment is conducted using the cost model and equipment is depreciated using the straight-line method over their estimated useful life. If each component of property, plant and equipment is significant, it is depreciated separately.
4. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each balance sheet date. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors", from the date of change. The useful life of all assets is between 3-6 years.

(XV) Leased assets/Lease (Lessee)

Operating lease payments less any incentives from the lessor amortized over the lease term using the straight-line method are recognized in profit or loss in the current period.

(XVI) Intangible assets

1. Seats on domestic and overseas futures exchanges

Seats on overseas futures exchanges are carried at acquisition cost. Upon evaluation, will continue generate net cash flows in the foreseeable future and as such, has an indefinite useful life and is not amortized. The asset is subject to impairment assessment annually.

2. Computer software

Computer software is measured at cost of acquisition and amortized using the straight-line method over the useful life, which is three years.

(XVII) Losses in non-financial asset

1. The Company estimates recoverable amounts on assets with signs of losses on the balance sheet date, and when the recoverable amount is lower than the book value, then loss is recognized. The recoverable amount refers to an asset's fair value less the cost of disposal or the useful value, whichever is the higher. If, in a subsequent period, impairment of the asset ceased to exist or the amount of the impairment loss decreased, the amount of impairment loss recognized previously shall be reversed. The reversal shall not cause the carrying amount of the financial asset exceeding the depreciated or amortized cost of the asset in the period before recognition of the impairment loss.
2. The recoverable amount of intangible assets of which the useful lives are indefinite shall be assessed on a regular basis. The Group recognizes an impairment loss when the recoverable amount is less than the carrying amount.

(XVIII) Derivative instruments

Derivative financial instruments are measured at fair value at initial recognition and in the subsequent period. Changes in the fair values of derivative instruments are recognized in profit or loss in the current period.

(XIX) Financial liabilities at fair value through profit or loss

1. Financial liabilities at fair value through profit or loss are financial liabilities held for trading purpose. A financial liability is classified as held for trading, if it is acquired or incurred principally for the purpose of repurchasing it in the near term except for derivatives designated as hedges.
2. Financial liabilities at fair value through profit or loss are measured at fair value at initial recognition. Related transaction costs are expense in the current income statement. Subsequent appraisal is at fair value, and any changes in the fair value of these financial assets are recognized in profit or loss.

(XX) Derecognition of financial liabilities

The Company derecognizes a liability when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(XXI) Employee Benefit

1. Short-term employee benefits

Short-term employee benefits are measured at the discounted amount of the benefits expected to be paid in respect of service rendered by employees and are recognized as expenses in the period when the employees render service.

2. Pension

(1) Defined contribution plan

Under the defined contribution plan, a certain amount of contributions is made to an independent and publicly or privately managed pension fund account. The Group is not under legal or constructive obligation to make additional contributions. The contributions are recognized as pension expenses when they are due on an accrual basis. Prepaid pension assets are recognized to the extent of a cash refund or a reduction in the future payments.

(2) Defined benefit plan

A. A defined benefit plan is a plan other than the defined contribution plan. Under the defined benefit plan, the amount of pension payment is determined on the basis of the amount of benefit that an employee is entitled to receive upon his or her retirement. The amount is determined on the basis of one or several factors such as age, year of service and salary. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognized in the balance sheet in respect of the defined benefit pension plan is the present value of the defined benefit obligation at the individual balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by actuaries using the Projected Unit Welfare Method. The discount rate is determined by referring to the market yield rate of the government bonds (on the individual balance sheet date), which the individual balance sheet date is consistent with the currency and period of the defined benefit plan.

B. The revaluation amount of the defined benefit plan is recognized upon occurrence in the "Other comprehensive profit and loss" and included in the retained earnings.

C. The expense associated with prior service cost is recognized immediately as a profit or loss.

3. Termination benefits

Resignation benefit refers to the benefit for the employee who is terminated from employment before the normal retirement date or who has decided to accept termination of employment in exchange for the benefit. The Company has resignation benefit recognized as expense when the invitation of resignation benefit can no longer be withdrawn or recognizing the related restructuring expense whichever is sooner. The benefit that is not expected to be liquidated within 12 months after the balance sheet date shall be discounted.

4. Employee compensation and remuneration to directors and supervisors

Employee compensation and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. If the accrued amounts for employees' compensation and remuneration to directors and supervisors are different from the actual distributed amounts, the differences shall be recognized based on the accounting for changes in estimates.

(XXII) Income tax

1. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.
2. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with the applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional 10% tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders resolve to retain the earnings.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the individual financial statements. Deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination and that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the individual balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each individual balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current

tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXIII) Dividends

Dividends are recorded in the Company's financial statements in the period in which they are approved by the Company's shareholders. Cash dividends are recorded as liabilities.

(XXIV) Revenue recognition

1. Brokerage fee revenue: Revenue from transaction fees received by a futures commission merchant for executing customers' futures trading orders and is recognized on the execution date.
2. Securities commission revenue: Revenue from commissions received by a futures commission merchant in its conduct of securities introducing broker business. Securities commission revenue is accrued on the basis of the agreed terms and conditions.
3. Clearing and settlement service fee revenue: Revenue from service fees received by a futures commission merchant qualified as a clearing member for providing clearing and settlement services to others and is recognized on the execution date.
4. Net gains in the derivative financial instruments:
 - (1) Gains or losses on futures contracts: Margin deposits for futures trading are carried at cost and are marked to market daily. Gains or losses arising from contra trading or the futures contract upon maturity are recognized in the income statement in the current period.
 - (2) Options trading: margin deposits for options trading are carried at cost and are marked to market monthly prior to maturity and gains or losses arising from options trading are recognized in the income statement in the current period.
5. Futures management fees income, consulting fees income, and managing fees income: It is estimated according to the relevant agreement and the basis of rights and responsibilities.
6. Interest income: The interest income of all interest-bearing financial instruments shall be calculated in accordance with the effective interest rate method.

V. Critical accounting judgments, estimates and key sources of assumption uncertainty

The preparation of these individual financial statements requires management to make critical judgments in applying the Company's accounting policies and make critical assumptions and estimates based on the expectation of future events that are believed to be reasonable under the circumstances at the end of the reporting period. The resulting accounting estimates might be different from the related actual results, the judgments and estimates are continually evaluated and adjusted based on historical experience and other factors. The estimates and judgments that may have caused significant adjustments in the next fiscal year are described as follows:

1. Calculation of the defined benefit liabilities

When calculating the present value of the defined benefit obligation, the Company shall apply judgments and estimates to determine the related actuarial assumptions on the proprietary balance sheet date, including discount rate, future salary increase of the plan assets, etc. Any changes of actuarial assumptions may have significant impact on the amount of the Company's defined benefit obligations. Please refer to attached note 6 (10)

2. Financial assets- unlisted stocks with no active market at fair value

The Company estimates the fair value of unlisted stocks with no quoted price in an active market by referring to the issuer's recent financing activities, valuation of stock issued by a similar issuer, the issuer's development status, market conditions and other economic indicators. Any changes of accounting judgment and estimates may impact the measurement of the fair value of assets. Please refer to Note 19 (3) for explanations of the fair value of financial instruments.

VI. Descriptions of major accounts

(I) Cash and cash equivalents

	December 31, 2015	December 31, 2014
Petty Cash	\$ 30	\$ 30
Bank Savings		
Check deposits	15	15
Current deposits	162,333	231,723
Fixed deposits	3,241,091	4,450,686
Subtotal	3,403,469	4,682,454
Futures excess margin	356,420	590,388
Commercial notes due within 3 months	229,905	201,334
	<u>\$ 3,989,794</u>	<u>\$ 5,474,176</u>

1. The financial institutions that the Company deals with are with good credit quality; also, the Company deals with a number of financial institutions to diversify credit risk; therefore, the possibility of default is very unlikely.
2. Details of the Company's cash and cash equivalents pledged to others as collateral.

(II) Financial assets at fair value through profit or loss

	December 31, 2015	December 31, 2014
Available-for-sale financial assets		
Listed stocks	\$ 230,321	\$ 79,740
Beneficiary notes	38,566	10,000
Open-ended funds and money market instruments	10,000	-
Non-hedging derivative instruments	275,309	29,711
	554,196	119,451
Available-for-sale financial assets evaluation adjustment	12,113	3,601
	<u>\$ 566,309</u>	<u>\$ 123,052</u>

1. The Company recognized net gain on financial assets held for trading of NT\$150,526 and NT\$112,612 for the years ended December 31, 2015 and 2014.
2. The non-hedging derivative instrument transactions and contract information are as follows:

	December 31, 2015	December 31, 2014
Futures contract	\$ 268,110	\$ 22,394
Options Contract	7,199	7,317
	<u>\$ 275,309</u>	<u>\$ 29,711</u>

3. Futures transaction

The Company entered into the futures contract for obtaining the spread. As of December 31, 2015 and 2014, the balance of margin deposit in the futures account totaled NT\$624,530 and NT\$612,782, respectively among which the excess totaling NT\$356,420 and NT\$590,388, respectively are included in “Cash and cash equivalents”.

4. The Company has no financial assets at fair value through profit or loss pledged to others.

(III) Customer deposit special account / futures traders’ equity

	December 31, 2015	December 31, 2014
Customers’ margin accounts:		
Bank Savings	\$ 40,787,514	\$ 24,222,003
Settlement institution settlement balance	4,453,598	4,654,335
Other futures trader settlement balance	4,514,958	1,207,028
Customer deposit account balance	49,756,070	30,083,366
Less: Fee and interest income to be transferred	(151,764)	(142,543)
Futures transaction tax to be transferred out	(2,561)	(1,932)
Temporary receipts	(3,552)	(3,434)
Others	(2,997)	(4,485)
Futures traders’ equity	<u>\$ 49,595,196</u>	<u>\$ 29,930,972</u>

(IV) Available-for-sale financial assets

	December 31, 2015	December 31, 2014
Current Items:		
Listed stocks	\$ 41,543	\$ 50,362
Valuation adjustment on financial assets available for sale.	(3,667)	1,789
Total	\$ 37,876	\$ 52,151
Non-current items:		
Listed stocks	\$ 41,255	\$ 41,255
Non-TWSE/GTSM-listing companies stock	221,132	221,132
Subtotal	262,387	262,387
Valuation adjustment on financial assets available for sale.	817,332	636,831
Total	<u>\$ 1,079,719</u>	<u>\$ 899,218</u>

The Company recognized the change in fair value in “other comprehensive profit and loss” for an amount of NT\$172,810 and (NT\$236,963), in 2015 and 2014, respectively; also, it is reclassified from the equity account to net income for an amount of NT\$2,235 and NT\$278,912, respectively.

(V) Investments accounted for by the equity method

1. Long Term share investment detail as follows:

Investees	December 31, 2015		December 31, 2014	
	Amount	Shareholding percentage	Amount	Shareholding percentage
MF G Investment Consulting Co., Ltd. (Note 1)	\$ 8,519	33.33%	\$ 9,326	33.33%
SYF Information Co., Ltd. (Note 2)	326,189	100.00%	38,388	100.00%
Yuanta Futures (HK) Co., Limited (Formerly: Yuanta Polaris Futures (Hong Kong))	176,326	100.00%	172,235	100.00%
	<u>\$ 511,034</u>		<u>\$ 219,949</u>	

Note 1: The Company is in the process of liquidation.

Note 2: An additional amount of NT\$300,000 was invested in this company in 2015Q4 and such amount is expected to be invested in the subsidiary Katsumoto Information Technology (Shanghai) Co., Ltd. in China.

2. The operating results of the insignificant invested companies are summarized as follows:

	2015	2014
Current pre-tax losses from continuing operations	(\$ 15,384)	(\$ 23,400)
Other comprehensive income (post-tax profit or loss)	(1,343)	-
Total comprehensive income for the period	<u>(\$ 16,727)</u>	<u>(\$ 23,400)</u>

(VI) Business guaranty bond

The 1-year time deposit with 1.205%~1.36% and 1.36% annual rate was deposited at Yuanta Bank with as operation margin on December 31, 2015 and 2014, respectively. Please refer to Note 8 for the pledge in details.

(VII) Settlement / clearance fund

Prior to carrying out settlement and clearing operations, the Taiwan Futures Exchange Corporation (the "Corporation") requires its members to deposit NT\$40 million to the clearing and settlement fund held at the Corporation in the first year of membership and the said fee is reduced to NT\$30 million in the second year and thereafter. The Company is also required to deposit a settlement and clearing fund in accordance with the methods and amount prescribed by the Corporation. For each additional futures commission merchant consigning the clearing member to handle clearing and settlement operations, the clearing member shall make a clearing and settlement fund deposit of NT\$3 million with this Corporation before accepting consignment. For each additional branch established by a consigning futures commission merchant, or for each additional futures trading introducing broker consigned by the clearing member or for each additional branch established by such introducing broker, the clearing member shall make a clearing and settlement fund deposit of NT\$1 million with this Corporation.

(VIII) Property and equipment

Equipment	Leasehold	Total
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	<u>improvements</u>		
January 1, 2015			
Cost	\$ 130,305	\$ 80,670	\$ 210,975
Accumulated depreciation	(75,169)	(56,003)	(131,172)
	<u>\$ 55,136</u>	<u>\$ 24,667</u>	<u>\$ 79,803</u>
<u>2015</u>			
January 1	\$ 55,136	\$ 24,667	\$ 79,803
Additions	9,697	6,217	15,914
Current transfer	13,968	11,217	25,185
Disposal (cost)	(30,623)	(23,130)	(53,753)
Disposal (accumulated depreciation)	30,623	23,130	53,753
Depreciation	(27,710)	(24,509)	(52,219)
December 31	<u>\$ 51,091</u>	<u>\$ 17,592</u>	<u>\$ 68,683</u>
December 31, 2015			
Cost	\$ 123,347	\$ 74,974	\$ 198,321
Accumulated depreciation	(72,256)	(57,382)	(129,638)
	<u>\$ 51,091</u>	<u>\$ 17,592</u>	<u>\$ 68,683</u>

	<u>Equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
January 1, 2014			
Cost	\$ 141,277	\$ 83,446	\$ 224,723
Accumulated depreciation	(72,550)	(35,579)	(108,129)
	<u>\$ 68,727</u>	<u>\$ 47,867</u>	<u>\$ 116,594</u>
<u>2014</u>			
January 1	\$ 68,727	\$ 47,867	\$ 116,594
Additions	9,674	2,561	12,235
Current transfer	9,166	-	9,166
Disposal (cost)	(29,812)	(5,337)	(35,149)
Disposal (accumulated depreciation)	29,447	5,337	34,784
Depreciation	(32,066)	(25,761)	(57,827)
December 31	<u>\$ 55,136</u>	<u>\$ 24,667</u>	<u>\$ 79,803</u>
December 31, 2014			
Cost	\$ 130,305	\$ 80,670	\$ 210,975
Accumulated depreciation	(75,169)	(56,003)	(131,172)
	<u>\$ 55,136</u>	<u>\$ 24,667</u>	<u>\$ 79,803</u>

(IX) Intangible assets

<u>Exchange seat</u>	<u>Others</u>	<u>Total</u>
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January 1, 2015			
Cost	\$ 24,125	\$ 19,966	\$ 44,091
Accumulated amortization	-	(11,258)	(11,258)
Foreign currency valuation	1,689	-	1,689
	<u>\$ 25,814</u>	<u>\$ 8,708</u>	<u>\$ 34,522</u>
<u>2015</u>			
January 1	\$ 25,814	\$ 8,708	\$ 34,522
Additions	-	1,947	1,947
Disposal (cost)	-	(3,967)	(3,967)
Disposal (accumulated amortization)	-	3,967	3,967
Amortization	-	(6,072)	(6,072)
Foreign currency valuation	958	-	958
December 31	<u>\$ 26,772</u>	<u>\$ 4,583</u>	<u>\$ 31,355</u>
December 31, 2015			
Cost	\$ 24,125	\$ 17,946	\$ 42,071
Accumulated amortization	-	(13,363)	(13,363)
Foreign currency valuation	2,647	-	2,647
	<u>\$ 26,772</u>	<u>\$ 4,583</u>	<u>\$ 31,355</u>
	<u>Exchange seat</u>	<u>Others</u>	<u>Total</u>
January 1, 2014			
Cost	\$ 24,125	\$ 40,516	\$ 64,641
Accumulated amortization	-	(24,131)	(24,131)
Foreign currency valuation	184	-	184
	<u>\$ 24,309</u>	<u>\$ 16,385</u>	<u>\$ 40,694</u>
<u>2014</u>			
January 1	\$ 24,309	\$ 16,385	\$ 40,694
Additions	-	1,400	1,400
Current transfer	-	575	575
Disposal (cost)	-	(22,525)	(22,525)
Disposal (accumulated amortization)	-	22,525	22,525
Amortization	-	(9,652)	(9,652)
Foreign currency valuation	1,505	-	1,505
December 31	<u>\$ 25,814</u>	<u>\$ 8,708</u>	<u>\$ 34,522</u>
December 31, 2014			
Cost	\$ 24,125	\$ 19,966	\$ 44,091
Accumulated amortization	-	(11,258)	(11,258)
Foreign currency valuation	1,689	-	1,689
	<u>\$ 25,814</u>	<u>\$ 8,708</u>	<u>\$ 34,522</u>

(X) Pension

1. (1) The Company has a defined benefit pension plan in accordance with the “Labor Standards Law”, covering all regular employees’ service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. When an employee meets the requirements of retirement, the payment of pension is based on service years and the average salary of the six months prior to retirement, with services within 15 years accumulating 2 basis points per year, and service years beyond 15 years accumulating 1 basis point per year up to a maximum of 45 basis points. The Company provisions 2% of total monthly salary to the pension fund in the name of the Pension Supervisory Committee at the Bank of Taiwan. In addition, the Company has the labor pension reserve account balance referred to in the preceding paragraph estimated at the end of each fiscal year. If the account balance is insufficient to pay pension benefit to the employees who qualify for retirement within next year for the pension benefit calculated in the preceding paragraph, the Company will have the spread amount appropriated in a lump sum before the end of March next year.

(2) Amounts recognized in the balance sheet are as follows:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Present value of defined benefit obligation	\$ 75,178	\$ 55,842
Fair value of plan assets	(19,642)	(19,807)
Defined benefit liabilities	<u>\$ 55,536</u>	<u>\$ 36,035</u>

(3) Changes in net defined benefit liabilities are as follows:

	<u>Present value of defined benefit obligation</u>	<u>Fair value of plan assets</u>	<u>Defined benefit liabilities</u>
2015			
Balance at January 1	\$ 55,842	(\$ 19,807)	\$ 36,035
Current service cost	70	-	70
Interest expenses (income)	1,117	(396)	721
	<u>57,029</u>	<u>(20,203)</u>	<u>36,826</u>
Revaluation amount:			
Return on plan assets	-	(208)	(208)
The effect of changes in financial assumptions	3,215	-	3,215
Experience adjustments	16,655	-	16,655
	<u>19,870</u>	<u>(208)</u>	<u>19,662</u>
Appropriation of pension fund	-	(952)	(952)
Pension payments	(1,721)	1,721	-
Balance at December 31	<u>\$ 75,178</u>	<u>(\$ 19,642)</u>	<u>\$ 55,536</u>

	Present value of defined benefit obligation	Fair value of plan assets	Defined benefit liabilities
2014			
Balance at January 1	\$ 64,533	(\$ 22,872)	\$ 41,661
Current service cost	168	-	168
Interest expenses (income)	1,290	(457)	833
	<u>65,991</u>	<u>(23,329)</u>	<u>42,662</u>
Revaluation amount:			
Return on plan assets	(5,463)	(75)	(5,538)
	<u>(5,463)</u>	<u>(75)</u>	<u>(5,538)</u>
Appropriation of pension fund	-	(1,089)	(1,089)
Pension payments	(4,686)	4,686	-
Balance at December 31	<u>\$ 55,842</u>	<u>(\$ 19,807)</u>	<u>\$ 36,035</u>

- (4) The Company's defined benefit plan fund assets are commissioned to the Bank of Taiwan for management within the predetermined proportions and amounts of the commissioned items in the annual fund investment plan in accordance with Article 6 of the "Rules Governing Labor Pension Fund Income, Expense, Depository, and Implementation" (namely deposited in domestic and foreign financial institutions, investment in domestic and foreign listed/OTC or privately offered equity securities, investment in domestic and foreign real estate securitization commodity, etc.) The related operation is under the supervision of the Labor Pension Fund Supervisory Committee. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. The insufficiency, if any, is to be replenished by the Treasury with the approval of the competent authorities. Since the Company is not entitled to participating in the operation and management of the Fund, the classification of the fair value of plant asset cannot be disclosed in accordance with International Accounting Standards No. 19, paragraph 142. Please refer to the "Annual Labor Pension Fund Implementation Report" published by the government for the fair value of the total fund assets on December 31, 2015 and 2014.
- (5) Actuarial gains and losses recognized in other comprehensive income:

	2015	2014
Discount rate	<u>1.70%</u>	<u>2.00%</u>
Future salary increases	<u>3.00%</u>	<u>3.00%</u>

The hypothesis of future mortality rate was based on the fifth Mortality Table of the Taiwan Life Insurance industry in 2015 and 2014. The present value of the defined benefit obligations affected by the changes in the actuarial assumptions is analyzed as follows:

	Discount rate		Future salary increases	
	Increased by 1%	Decreased by 1%	Increased by 1%	Decreased by 1%
December 31, 2015 Impact on the present value of the defined benefit obligations	(\$ 10,066)	\$ 12,101	\$ 10,972	(\$ 9,400)
December 31, 2014 Impact on the present value of the defined benefit obligations	<u>(\$ 7,359)</u>	<u>\$ 8,866</u>	<u>\$ 8,059</u>	<u>(\$ 6,884)</u>

- (6) The sensitivity analysis referred to above is based on the impact of the changes in one single hypothesis while other assumptions remain unchanged. In practice, many changes in assumptions may be mutually interactive. The sensitivity analysis is consistent with the method adopted for calculating the net pension liability on the balance sheet.
- (7) The Company has appropriated NT\$931 to the pension plan in 2016.
2. (1) The Company has a retirement policy with a defined pension contribution plan regulated in accordance with the "Labor Pension Act" for the employees of Taiwan nationality since July 1, 2005. The Company has established a defined contribution pension plan (the "New Plan") under the "Labor Pension Act" covering all regular employees. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to an employee's individual pension account at the Bureau of Labor Insurance. The payment of pension benefits is based on an employee's individual pension fund account and the cumulative profit in such account, and employees can choose to receive such pension benefits monthly or in one lump sum.
- (2) For financial year 2015 and 2014, the net pension cost recorded by the Company according to the above mentioned pension plans are NT\$15,120 and NT\$14,428 respectively.

(XI) Share capital

As of December 31, 2015, the Company's authorized capital was NT\$2,500,000, consisting of 250,000 thousand shares and the Company's issued capital was NT\$2,322,763 with a par value of NT\$10 per share. All issued capital of the Company were paid up.

(XII) Additional paid-in capital

According to the Company Act, Additional paid-in capitals from premium income for issuing shares over face values and gift income, not only can offset losses, it can also issue new shares or cash according to the original shareholding when there is no accumulated losses in the Company. According to the Securities Transactions Act and its related rules, where Additional paid-in capital is applied to supplement capital as above, the total amount cannot exceed 10% of the paid up capital. When the retained earnings of a company is not enough to offset capital losses, the Additional paid-in capitals cannot be applied.

(XIII) Special reserve

1. According to Article 18 of the Regulations Governing Futures Commission Merchants, futures commission merchant is to appropriate 20% of the annual net income as special reserve until the cumulative amount is equivalent to the paid-in

capital. The Special reserve cannot be used for any purposes other than offsetting previous losses, or capitalizing into shared capital up to 50% of its total when the reserve accumulates to half the amount of paid-up capital.

2. Upon first adoption of the IFRSs, Gin-Kuan-Zheng-Chi Letter No. 1010032090 dated July 10, 2012 prescribes that when a company transfers the balance of credit loss reserve to special reserve to offset deficit or where the balance of special reserve is equal to 50% of the paid-in capital, only up to 50% of the balance may be capitalized with the remaining balance retained and not be appropriated for any other purpose.
3. According to the Gin-Kuan-Zheng-Chi Letter No. 1010048029, an amount equivalent to the net debit amount to the “other equity” booked is appropriated from the current profit and loss and unappropriated earnings of the prior period as a special reserve. For the net debit amount of the “other equity” attributed to the accumulation of prior period, an equivalent amount of special reserve is appropriated from the unappropriated earnings of prior period; also, the special reserve cannot be distributed. If the Company has a special reserve appropriated according to the provisions referred to above, an additional special reserve shall be appropriated for the difference between the amount appropriated and the net debit amount to the “other equity.” When the net debit amount to the “other equity” is reversed subsequently, the reversed amount can be distributed.

(XIV) Retained earnings

1. According to the Company’s Articles of Association, the Company’s annual earnings, if any, after paying taxes, shall be applied to make up losses of prior periods, 10% legal reserve, and 20% special reserve in that order. The remaining balance thereafter, if any, shall be reserved or distributed in accordance with the resolutions reached in the shareholders’ meeting.
2. Legal reserves can only be applied to offset company losses or issue new shares or cash according to the original shareholding ratio, and nothing else. When it is applied to new share or cash issues, the reserve shall be exceeding 25% of the paid-up capital.
3. In accordance with the regulations, the Company shall set aside special reserve from the debit balance of other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.
4. The distribution of the Company’s 2014 and 2013 earning is resolved in the shareholders’ meeting as follows:

	2014		2013	
	Amount	Dividends per share (\$)	Amount	Dividends per share (\$)
Legal earnings reserve	\$ 87,060		\$ 65,387	
Special reserve	174,121		130,774	
Cash dividends	613,209	\$ 2.64	480,812	\$ 2.07

The distribution of cash dividend for NT\$1,000,000 from the additional paid-in capital was resolved in the shareholders’ meeting of the Company on May 21, 2015.

5. The Board of Directors proposed in their meeting on March 24, 2016 to

appropriate the 2015 earnings as follows:

	2015	
	Amount	Dividends per share (\$)
Legal earnings reserve	\$ 75,790	
Special reserve	151,579	
Cash dividends	529,590	\$ 2.28

6. Please refer to Note 6 (23) for the information of remuneration to employees, directors, and supervisors.

(XV) Other equity

	Unrealized gains or losses on financial asset available for sale	Exchange differences arising from translating the financial statements of foreign operations	Total
January 1, 2015	\$ 638,620	(\$ 1,285)	\$ 637,335
Available-for-sale financial assets:			
- Valuation adjustment in the period	175,045	-	175,045
Foreign currency translation differences:			
-Exchange difference in the period	-	7,812	7,812
Share of other comprehensive income of subsidiaries accounted for under the equity method	(1,343)	-	(1,343)
December 31, 2015	<u>\$ 812,322</u>	<u>\$ 6,527</u>	<u>\$ 818,849</u>

	Unrealized gains or losses on financial asset available for sale	Exchange differences arising from translating the financial statements of foreign operations	Total
January 1, 2014	\$ 596,671	(\$ 12,314)	\$ 584,357
Available-for-sale financial assets:			
- Valuation adjustment in the period	41,949	-	41,949
Foreign currency translation differences:			
-Exchange difference in the period	-	11,029	11,029
December 31, 2014	<u>\$ 638,620</u>	<u>(\$ 1,285)</u>	<u>\$ 637,335</u>

(XVI) Brokerage commission

	2015	2014
Brokerage fee revenue	\$ 2,715,603	\$ 2,049,079

(XVII) Net loss on disposal of operating securities

	2015	2014
Proceeds from sale of securities- Proprietary trading	\$ 924,808	\$ 483,851
Cost of securities sold- Proprietary trading	(952,621)	(496,902)
Total	(\$ 27,813)	(\$ 13,051)

(XVIII) Settlement and clearance fees

	2015	2014
Settlement and clearance fees -Non-related parties	\$ 38,045	\$ 48,171
Settlement and clearance fees -Related parties	52,280	48,861
Total	\$ 90,325	\$ 97,032

(XIX) Gains and losses on derivative instruments

	2015	2014
Non-hedging		
Futures contract profit and loss		
Futures contract profit	\$ 709,737	\$ 503,669
Futures contract loss	(662,337)	(409,986)
	\$ 47,400	\$ 93,683
Options profit and loss		
Options profit	\$ 139,505	\$ 100,332
Options loss	(65,098)	(82,448)
	\$ 74,407	\$ 17,884
Non-hedging		
Total gains in the derivative financial instruments	\$ 849,242	\$ 604,001
Total losses in the derivative financial instruments	(727,435)	(492,434)
	\$ 121,807	\$ 111,567

(XX) Brokerage commission expenses

	2015	2014
Brokerage commission expenses	\$ 491,601	\$ 351,358
Proprietary trade service charge	14,094	11,153
Total	\$ 505,695	\$ 362,511

(XXI) Futures commission expenses

	2015	2014
Secondary futures trade	\$ 248,264	\$ 148,071
Futures introducing trade	312,631	264,918
Total	<u>\$ 560,895</u>	<u>\$ 412,989</u>

(XXII) Operating expenses

	2015	2014
Employee Benefit expenses	\$ 555,612	\$ 480,857
Depreciation	52,219	57,827
Amortization	6,072	10,851
Postage and cable charges	69,142	59,452
Taxes	91,037	74,832
Computer information expense	77,493	75,791
Discretionary donation	8,070	13,270
Membership fees	18,863	15,674
Operating lease rent	28,588	32,754
Repair expense	22,027	23,253
Advertising expense	13,253	13,985
Professional service expenses	9,542	9,121
Other expenses	42,848	38,780
Operating expenses	<u>\$ 994,766</u>	<u>\$ 906,447</u>

(XXIII) Employee benefit expenses

	2015	2014
Salary expenses	\$ 491,039	\$ 419,273
Labor and health insurance premiums	28,545	27,051
Pension cost	15,911	13,063
Resignation benefits	4,850	8,640
Other employee benefits expense	15,267	12,830
	<u>\$ 555,612</u>	<u>\$ 480,857</u>

1. According to the Company's Articles of Association, the Company shall appropriate an amount equivalent to 0.01% ~ 5% of the annual net income as bonus to employees.

However, after the amendment of the Company Law on May 20, 2015, the Company shall prescribe a certain amount or percentage of the annual net income as remuneration to employees. However, the Company's accumulated losses, if any, shall be made up. The remuneration to employees is paid with stock dividends or cash; also, it shall be with the consent of the majority of the presenting directors in the Board meeting that is with two thirds of the directors attended; also, the resolution shall be reported in the shareholders' meeting. In addition, it shall be stated in the Articles of Association that the remuneration to employees paid with stock or cash is also available to the qualified employees of the subsidiaries. The proposal for the amendment of the Articles of Association was resolved in the Board meeting on December 24, 2015. According to the

amended Articles of Association, the Company shall have an amount not less than 0.01% of the annual earnings after deducting the accumulated losses distributed as remuneration to employees. The amendment of the Articles of Association will be proposed in the 2016 shareholders' meeting for a resolution.

2. The Company had the 2015 and 2014 remuneration (bonus) to employees appropriated for an amount of NT\$3,072 and NT\$2,890, respectively; the remuneration to directors and supervisors appropriated for an amount of NT\$0 and NT\$700, respectively. The said amounts were booked in the salary expense account. In particular, an appropriation in 2015 was made according to the annual net income; also, the Board of Directors had resolved to have the distribution made in cash. An appropriation in 2014 was made according to the net income of the year and taking into account the legal reserve and the distribution percentage defined in the Articles of Association. If the actual distribution amount resolved in the shareholders' meeting differed from the estimated amount, it will be handled as changes in accounting estimates. The 2014 bonus to employees and remuneration to directors and supervisors resolved in the shareholders' meeting are consistent with the amount recognized in the 2014 financial statements.

Information on the employee bonus and remuneration for directors and supervisors as approved by the Board of Directors and resolved in shareholder meeting can be found on the Market Observation Post System.

(XXIV) Other profits and losses

	2015	2014
Interest income	\$ 463,263	\$ 411,576
Net gain on investment disposal	45,025	279,270
Dividend income	31,700	28,411
Net foreign exchange profit (loss)	(20,223)	55,037
Others	3,747	(766)
Total	<u>\$ 523,512</u>	<u>\$ 773,528</u>

(XXV) Income tax

1. Income tax expense

(1) Components of income tax expense:

	2015	2014
Current income tax:		
Current income tax	\$ 166,820	\$ 125,423
Additional on undistributed earnings	81	-
Underestimated income tax in prior periods	1,886	679
Total Current tax assets	<u>168,787</u>	<u>126,102</u>
Deferred income tax:		
Origin and reversal of temporary differences	(10,760)	2,874
Total deferred income tax	<u>(10,760)</u>	<u>2,874</u>
Income tax expense	<u>\$ 158,027</u>	<u>\$ 128,976</u>

(2) Income tax amounts relating to components of other:

	2015		2014	
Defined benefit liabilities revaluation amount and volume	(\$ 3,343)		\$ 941	
2. Reconciliation of income tax expense and accounting profit				
	2015		2014	
Income tax derived by applying the statutory tax rate to pre-tax net profit	\$	158,971	\$	170,003
Tax-free income by Income Tax Law	(2,911)	(41,706)
Additional on undistributed earnings		81		-
Underestimated income tax in prior periods		1,886		679
Income tax expense	\$	158,027	\$	128,976
3. Deferred income tax assets or liabilities arising from temporary differences:				
	2015			
	January 1	Recognized in loss	Recognized in other comprehensive profit	December 31
Timing difference:				
-Deferred income tax assets:				
Accrued pension liabilities	\$ 6,126	(\$ 27)	\$ 3,343	\$ 9,442
Unrealized foreign exchange loss	-	6,186	-	6,186
Others	2,237	(107)	-	2,130
Subtotal	8,363	6,052	3,343	17,758
-Deferred income tax liabilities:				
Unrealized foreign exchange profit	(4,708)	4,708	-	-
Total	\$ 3,655	\$ 10,760	\$ 3,343	\$ 17,758
	2014			
	January 1	Recognized in profit or loss	Recognized in other comprehensive profit	December 31
Timing difference:				
-Deferred income tax assets:				
Accrued pension liabilities	7,542	(475)	(941)	6,126
Others	1,886	351	-	2,237
Subtotal	9,428	(124)	(941)	8,363
-Deferred income tax liabilities:				
Unrealized foreign exchange profit	(1,958)	(2,750)	-	(4,708)
Total	\$ 7,470	(\$ 2,874)	(\$ 941)	\$ 3,655

4. The Company's filings of profit-seeking enterprise business income tax returns had been certified by the tax authority up until 2013 (inclusive).
5. Disclosure related to undistributed earnings:

	December 31, 2015	December 31, 2014
1997 and thereafter	\$ -	\$ 21
1998 and thereafter	<u>757,898</u>	<u>875,898</u>

6. The Company's shareholder tax credit account balance was NT\$127,234 and NT\$130,487 on December 31, 2015 and 2014, respectively. The tax credit rate for the distribution of 2014 earnings was 18.17%. The estimated tax credit for the distribution of 2015 earnings was 16.79%.

(XXVI) Earnings per share

	2015		
	After-tax amount	Weighted average outstanding shares (thousand shares)	Earnings per share (\$)
<u>Base earnings per share</u>			
Net income attributable to the common stock shareholders	<u>\$ 777,093</u>	<u>232,276</u>	<u>\$ 3.35</u>
	After-tax amount	2014 Weighted average outstanding shares (thousand shares)	Earnings per share (\$)
<u>Base earnings per share</u>			
Net income attributable to the common stock shareholders	<u>\$ 871,045</u>	<u>232,276</u>	<u>\$ 3.75</u>

(XXVII) Operating lease

The Company leases the office premises and equipment under an operating lease agreement. The lease term is from 2012 to 2018. The Group recognized rental expenses of NT\$28,588 and NT\$32,754 for the years ended 2015 and 2014, respectively. The future aggregate minimum lease payments under non-cancellable leases are as follows:

	December 31, 2015	December 31, 2014
Less than 1 year	\$ 26,523	\$ 36,773
Over 1 year but less than 5 years	23,184	48,355
	<u>\$ 49,707</u>	<u>\$ 85,128</u>

VII. Related party transactions

(I) Parent company and ultimate controller

The Company is controlled by Yuanta Financial Holding Co., Ltd., which owns 68.65% of the Company's shares. The remaining 31.35% of the Company's shares was held by the general public. The Company's ultimate parent company and controller is both Yuanta Financial Holding Co., Ltd.

(II) Major transactions with related parties

1. Cash and cash equivalent / Operational Deposit / Customer Deposit / Futures trading deposit / interest income

		December 31, 2015				
		Bank balance	Business guaranty bond	Customers' Margin Account	Futures trading margin	
					Proprietary capital	Excess margin
Sister companies		\$ 1,769,253	\$ 185,000	\$ 19,936,121	\$ 2,605	\$ 30,706

		December 31, 2014				
		Bank balance	Business guaranty bond	Customers' Margin Account	Futures trading margin	
					Proprietary capital	Excess margin
Sister companies		\$ 1,362,705	\$ 185,000	\$ 8,501,973	\$ 1,074	\$ 61,269

2. Stock Borrowing Margin (SBL) - paid

	December 31, 2015	December 31, 2014
Sister companies	\$ 25,901	\$ -

3. Accounts receivable - related parties

	December 31, 2015	December 31, 2014
Sister companies	\$ 5,200	\$ 4,982

4. Other receivables - related parties

	December 31, 2015	December 31, 2014
Sister companies	\$ 16,054	\$ 7,775

5. Guarantee deposits paid

	December 31, 2015	December 31, 2014
Sister companies	\$ 5,560	\$ 5,152

6. Futures traders' equity

	December 31, 2015	December 31, 2014
Subsidiary	\$ -	\$ 47,215
Sister companies	4,752,116	1,294,822
Funds managed by the sister company	3,769,835	1,094,286
The responsible person and major shareholders of the financial holding company and its subsidiaries	20,828	16,101
Other related parties	9,346	325,802
	<u>\$ 8,552,125</u>	<u>\$ 2,778,226</u>

7. Accounts payable - related parties

	December 31, 2015	December 31, 2014
Sister companies	<u>\$ 25,938</u>	<u>\$ 25,285</u>

8. Other payable - related parties

	December 31, 2015	December 31, 2014
Sister companies	\$ 334	\$ 380
The responsible person and major shareholders of the financial holding company and its subsidiaries	96	86
Ultimate parent company	4	-
	<u>\$ 434</u>	<u>\$ 466</u>

9. Brokerage commission

	2015	2014
Sister companies	\$ 107,183	\$ 27,935
Funds managed by the sister company	12,582	18,845
The responsible person and major shareholders of the financial holding company and its subsidiaries	2,701	3,631
Other related parties	4,804	643
Subsidiary	16	2,598
	<u>\$ 127,286</u>	<u>\$ 53,652</u>

10. Settlement and clearance fees

	2015	2014
Sister companies	<u>\$ 52,281</u>	<u>\$ 48,861</u>

11. Commission income from securities introducing trade

	2015	2014
Sister companies	<u>\$ 3,398</u>	<u>\$ 3,588</u>

12. Assisting sales income

	2015	2014
Sister companies	\$ 721	\$ 1,340

13. Futures commission expenses - futures introducing business and secondary mandate business

	2015	2014
Sister companies	\$ 290,774	\$ 247,526

Our company has executed futures trading assistance business nomination contract with Yuanta Polaris Securities and Yuanta Polaris Securities Hong Kong to conduct futures and options contract trading for customers. The above-mentioned decision on payment of commission rate on futures and payment terms towards related parties are not much different from those with non-related parties.

14. Professional service expenses

	2015	2014
Sister companies	\$ 4,923	\$ 4,372

15. Interest income

	2015	2014
Sister companies	\$ 225,306	\$ 104,443

Interest income includes interest received from current savings, term deposits, customers margin account and business guarantee bond, details of business guarantee bond is at note 6(6)

16. Interest expenses

	2015	2014
Sister companies	\$ 7,458	\$ 4,541

17. Rental expense

	2015	2014
Sister companies	\$ 21,608	\$ 25,381

The Company pays rents for the office premise based on the market rate for the building and the rents are stipulated and calculated by both parties to the lease agreement.

18. Donation

	2015	2014
Yuanta Foundation	\$ 4,650	\$ 3,960
Polaris Economic Research Center	2,200	2,300
	\$ 6,850	\$ 6,260

19. Securities lending fee

	2015	2014
Sister companies	\$ 11	\$ -

20. Trading of property

	December 31, 2015	December 31, 2014
Funds managed by the sister company	\$ 44,395	\$ 9,525

The gains from the disposing the fund of the affiliated companies and the stock of the other related party amounted to NT\$17,260 and NT\$358 in 2015 and 2014, respectively.

(III) Remuneration to key management

	2015	2014
Salaries and other short-term employee benefits	\$ 141,702	\$ 127,423
Resignation benefits	151	3,091
Post-employment benefits	3,935	4,276
Other long-term benefits	1,619	1,638
Total	\$ 147,407	\$ 136,428

VIII. Collateralized assets

The Company's assets are used as collateral as follows:

	December 31, 2015	December 31, 2014
Business guaranty bond	\$ 185,000	\$ 185,000

IX. Significant contingent liabilities and unrecognized contractual commitments

Commitments

Please refer to Note 6 (27) for details of the operating lease agreement.

X. Losses due to major disasters

None.

(In Blank hereinafter)

XI. Information of derivative transactions

The Company is trading in financial derivatives instruments, details are as follows:

December 31, 2015

Item	Transacted instrument	Outstanding		Contract value or premiums paid (received)	Fair value	Remarks
		Buy/sell	Number of contracts			
Futures contract (Domestic)	TAIFEX Futures	Buy	444 Lots	\$ 735,972	\$ 734,820	
	TAIFEX Futures	Sell	233 Lots	(383,693)	(385,327)	
	Mini-TAIFEX Futures	Buy	2 Lots	832	828	
	Mini-TAIFEX Futures	Sell	42 Lots	(17,270)	(17,377)	
	TOPIX futures	Buy	9 Lots	2,748	2,762	
	TOPIX futures	Sell	9 Lots	(2,762)	(2,762)	
	Stock Index Futures	Buy	108 Lots	8,565	8,564	
	Stock Index Futures	Sell	234 Lots	(11,309)	(11,177)	
	Finance Futures	Sell	35 Lots	(34,394)	(34,237)	
	Electronic Sector Index Futures	Sell	5 Lots	(6,504)	(6,522)	
Futures contract (Offshore)	Currency Futures	Buy	9 Lots	47,805	47,722	
	Currency Futures	Sell	5 Lots	(14,925)	(15,008)	
	Metal Futures	Buy	10 Lots	4,700	4,741	
	Metal Futures	Sell	24 Lots	(24,214)	(24,049)	
	Index Futures	Buy	235 Lots	401,463	396,703	
	Index Futures	Sell	655 Lots	(932,252)	(930,351)	
	Energy Futures	Buy	4 Lots	5,673	5,755	
	Energy Futures	Sell	8 Lots	(9,668)	(9,727)	
	Bond futures	Buy	9 Lots	41,413	41,299	
	Produce futures	Buy	4 Lots	5,511	5,802	
Produce futures	Sell	29 Lots	(20,717)	(20,538)		
Options Contract (Domestic)	Stock options	Call Option	30 Lots	51	16	
	Stock options	Call – put option	60 Lots	75	387	
	TAIFEX options	Call Option	10,207 Lots	4,938	5,112	
	TAIFEX options	Call – put option	830 Lots	3,258	1,684	
	TAIFEX options	Put Option	10,425 Lots	(5,907)	(5,797)	
TAIFEX options	Put – Put option	922 Lots	(8,575)	(4,272)		

December 31, 2014

Item	Transacted instrument	Outstanding		Contract value or premiums paid (received)	Fair value	Remarks
		Buy/sell	Number of contracts			
Futures contract (Domestic)	TAIFEX Futures	Buy	97 Lots	\$ 179,262	\$ 180,051	
	TAIFEX Futures	Sell	39 Lots	(70,755)	(72,392)	
	Mini-TAIFEX Futures	Buy	13 Lots	6,028	6,033	
	Mini-TAIFEX Futures	Sell	6 Lots	(2,754)	(2,784)	
	Electronic Sector Index Futures	Buy	35 Lots	51,720	51,772	
	Electronic Sector Index Futures	Sell	5 Lots	(7,398)	(7,396)	
	Finance Futures	Buy	1 Lots	1,087	1,082	
	Finance Futures	Sell	45 Lots	(48,650)	(48,699)	
	Stock Index Futures	Buy	200 Lots	16,174	16,298	
	Stock Index Futures	Sell	142 Lots	(11,313)	(11,341)	
Futures contract (Offshore)	Currency Futures	Buy	1 Lots	9,608	9,610	
	Currency Futures	Sell	11 Lots	(33,485)	(33,530)	
	Metal Futures	Sell	13 Lots	(45,701)	(45,696)	
	Index Futures	Buy	56 Lots	119,353	118,540	
	Index Futures	Sell	94 Lots	(113,047)	(113,003)	
	Energy Futures	Sell	10 Lots	(16,791)	(16,860)	
	Bond futures	Buy	32 Lots	149,032	149,232	
	Produces futures	Buy	59 Lots	27,383	27,456	
	Produces futures	Sell	10 Lots	(8,902)	(8,364)	
Options Contract (Domestic)	TAIFEX options	Call Option	871 Lots	3,756	6,045	
	TAIFEX options	Call – put option	946 Lots	3,409	1,272	
	TAIFEX options	Put Option	827 Lots	(2,499)	(4,740)	
	TAIFEX options	Put – Put option	990 Lots	(2,583)	(1,249)	

XII. Compliance to financial ratio covenants mandated by the Futures Trading Act

Legal basis: Regulations governing futures Commission Merchants

Article number	Calculation formula	Current period		Previous period		Standards	Progress (Note 3)
		Calculation	Ratio	Calculation	Ratio		
17	Shareholders' equity	6,777,107	14.17	7,448,028	21.76	≥ 1	Complying with standard
	(Total liabilities – futures merchant's equity)	478,410		342,254			
17	Current assets	54,452,849	1.09	35,797,043	1.18	≥ 1	Complying with standard
	Current liabilities	50,014,125		30,229,078			
22	Shareholders' equity	6,777,107	584.23%	7,448,028	633.87%	≥ 60%	Complying with standard
	Minimum paid up capital (Note 1)	1,160,000		1,175,000		≥ 40% (Note 2)	
22	Adjusted net capital	4,593,988	72.45%	5,804,582	143.25%	≥ 20%	Complying with standard
	Total margins required for futures traders' outstanding positions	6,340,926		4,052,103		≥ 15%	

Note 1: "Minimum paid-up capital" is the capital amount or designated operational fund calculated according to the futures merchant establishing standards

Note 2: The standard ratio of owner's equity on minimum paid up capital for offshore futures merchant specializing in re-consignment of offshore futures trading is adjusted to 50% and 30% respectively.

Note 3: Please state whether in compliance with the financial ratios or not in the "Status of Execution" column; also, indicate the corrective action reported or proposed to the FSC and the FSC's designated institutions when failing to comply with the requirements.

XIII. Risks specific to a futures commission merchant

- (I) The major risk of futures brokerage business by futures merchants is in credit risk, and when seeking customers' margin account has failed, the credit risk has occurred. The Company performs futures trading according to individual customer conditions with daily monitoring of their margin limit, and request customers to increase cash margin or reduce trade positions where necessary to mitigate this risk; and the main risk in proprietary trading by the Company is in market risk, meaning the market price of the futures or options contract held are changed by the fluctuation in investment indexes, if market index price and investment targets moves in different directions, then loss will incur. But the Company has already establish stop loss points to mitigate this risk for risk management.
- (II) Risks specific to futures brokerage business by the Company are as follows:
Futures trading is a low guarantee financial leveraging transaction, therefore futures brokerage risk includes: when futures market is not in the favor of trader, in order to maintain customers' margin, the futures commission merchant needs to ask for additional cash margin, and when a trader is unable to balance the account within deadline, the futures commission merchant may liquidate the futures contract held by the trader on their behalf; additional if the market fluctuates sharply, the futures contracts held by traders may not be able to settle, resulting in losses for the futures commission merchant.
- (III) For material financial risk on futures proprietary trading, please refer to attached note 19.

XIV. Segment Financial Information

In terms of information by departments: As expressly provided for in Article 28 of the Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants: A Futures Commission Merchant (FCM) preparing only parent company financial reports is not required to prepare segment information within the scope of IFRS 8.

XV. Major post-balance sheet events

None.

XVI. Disclosure of major transactions

1. Loans to others: none.
2. Endorsements / guarantees for others: none.
3. Acquisition of real estate properties amounting to more than NT\$300 million or 20% of paid up capital: none.
4. Disposal of real estate properties amounting to more than NT\$300 million or 20% of paid up capital: none.
5. Discounts on brokerage commissions totaling more than NT\$5 million for related party transactions: none.
6. Amounts receivable from related parties totaling more than NT\$100 million or 20% of paid up capital: none.
7. Other: Important business transactions between the parent company and subsidiaries and between subsidiaries: none.

XVII. Investment-related information

(I) Name, address and relevant information of the invested companies are as follows:

Name of investor	Name of investee	Location	Main business activities	Sum of initial investment		Period-end holding position			Current period profit / loss of the investee	Investment gains (losses) recognized in the current period	Remarks
				Current period-end	The end of last year	Shares	Ratio	Book value			
Yuanta Futures Co., Ltd.	MF G Investment Consulting Co., Ltd.	Taiwan	Investment consulting and management consulting industry	\$ 13,665	\$ 13,665	1,367 thousand shares	33.33%	\$ 8,519	(\$ 2,422)	(\$ 807)	
Yuanta Futures Co., Ltd.	Yuanta Futures (HK) Co., Limited	Hong Kong	Financial Services	193,319	193,319	6,000 thousand shares	100.00%	176,326	(1,860)	(1,860)	
Yuanta Futures Co., Ltd.	SYF Information Co., Ltd.	Taiwan	IT software and information processing service providers	350,000	50,000	35,000 thousand shares	100.00%	326,189	(12,717)	(12,717)	
SYF Information Co., Ltd.	SYF Information (SAMOA) Limited	Samoa	Investment holding	29,046	29,046	1,000 thousand shares	100.00%	22,955	(3,436)	(3,436)	

(II) Information on invested companies, which the Company can exercise direct or indirect controls are as follows:

1. Loans to others: none.
2. Endorsements / guarantees for others: none.
3. Acquisition of real estate properties amounting to more than NT\$300 million or 20% of paid up capital: none.
4. Disposal of real estate properties amounting to more than NT\$300 million or 20% of paid up capital: none.
5. Discounts on brokerage commissions totaling more than NT\$5 million for related party transactions: none.
6. Amounts receivable from related parties totaling more than NT\$100 million or 20% of paid up capital: none.
7. Other: Important business transactions between the parent company and subsidiaries and between subsidiaries: None.

XVIII. Investments in Mainland China

1. Basic information

Names of investees in Mainland China	Main business activities	Paid-up Capital	Investment Method (Note 1)	The cumulative amount of investment remitted from Taiwan as of the period began	Current remitted or recovered amount of investment		The cumulative amount of investment remitted from Taiwan as of the period began	Gains and losses of the invested company	The Company's directly or indirectly invested shareholding	Investment Profit or Loss for Current Period (Note 2, 3)	Ending investment book value	Investment income remitted back to Taiwan as of the period ended	Remarks
					Remitted	Recovered							
SYF Information (Shanghai) Limited	The R&D and production of calculator software, e-commerce software, and financial software, the sale of self-manufactured products, the wholesale, except for commission, agent, and auction, import/export, and providing related technical advisory services;	\$ 14,995	(II) SYF Information (SAMOA) Limited	\$ 14,995	\$ -	\$ -	\$ 14,995	(\$ 3,154)	100	(\$ 3,154)	\$ 7,146	-	

Company name	The cumulative amount of investment remitted from Taiwan to Mainland China as of the period ended	Investment amount approved by the Investment Commission MOEAIC	Investment amount approved by the Investment Commission MOEAIC
Yuanta Futures Co., Ltd.	\$ 14,995	\$ 150,000	\$ 4,066,264

Note 1: There are three types of investments labeled by the respective number:

- (1) Direct investment in Mainland China
- (2) Indirect investment in Mainland China through a third country (please specify the investment company in the third country)
- (3) Other methods

Note 2: Recognized as gains or losses on investment in current period:

- (1) Please note if the investee is still under preparation and there was no investment gain or loss.
- (2) Note clearly the basis (three as follows) on which investment gains or losses are recognized.
 1. Financial statements audited and attested by an international accounting firm that has a cooperative relationship with a certified public accounting firm registered in the Republic of China.
 2. Financial statements audited and attested by the independent accounts of the parent company.
 3. Other.

Note 3: All amounts are expressed in New Taiwan Dollars.

2. Significant transactions with investee companies in the Mainland China, either directly or indirectly through a third country: None.

XIX. Financial risk management

(I) Capital risk management

The Company's capital risk management objectives are; to ensure that the Group is capable of continuing operations, to maintain the most appropriate capital structure in order to reduce cost of capital and to maximize returns for shareholders. The Company may make adjustments to dividends paid to shareholders, refund capital to shareholders, issue new shares or sell assets to reduce the level of debts in order to maintain or adjust the Company's capital structure. The Company adopted the return on capital rate after risk adjustment to have the Company's capital allocated reasonably and effectively.

(II) Financial instruments

1. Fair value information of financial instruments

The face value of the Company's financial instruments (cash and cash equivalents, customer margin accounts, futures receivable margins, notes receivable, accounts receivable, accounts receivable - related parties, other receivables, other receivables - related parties, other current assets, operating margin, clearing and settlement fund, refundable deposits, futures commission merchants' equity, accounts payable, accounts payable - related parties, other payables, other payables - related parties, and other current liabilities) that are not measured at the fair value is close to the fair value reasonably. In addition, please refer to Note XIX (III) for the fair value of the financial assets that are measured at the fair value.

2. Presentation of derivative instruments in the financial statements

- (1) The futures margin account balance was NT\$624,530 and NT\$612,782 on December 31, 2015 and 2014, respectively, of which, the excess margin balances of NT\$356,420 and NT\$590,388 was booked in the "Cash and cash equivalents" and the remaining balance was booked in the "Futures trade margin – proprietary funds."
- (2) Earnings from futures trading for the years 2015 and 2014 are NT\$709,737 and NT\$503,669 respectively, and booked under "Derivative financial instrument gains – futures contract gains".
- (3) For years 2015 and 2014, proprietary futures trading segment of the Company has made gains from trading options in the amounts of NT\$139,505 and NT\$100,332, and booked under "Gains from Derivative financial instruments – options trading gains".
- (4) During the years 2015 and 2014, losses from futures trading are NT\$662,337 and NT\$409,986, and booked under "Loss from derivative financial instruments - futures contract losses".
- (5) For years 2015 and 2014, proprietary futures trading segment of the Company has made losses from trading options in the amounts of NT\$65,098 and NT\$82,448, and booked under "Losses from Derivative financial instruments – options trading losses".
- (6) As of December 31, 2015 and 2014, options sold totaling NT\$10,069 and NT\$5,989, were included in "liabilities on sale of options" under "Financial liabilities at fair value through profit or loss- current". At years ending December 31, 2015 and 2014, the call option balances are NT\$7,199 and NT\$7,317 respectively, and were booked under "call option - non-hedging" of "financial assets with fair value variance through to profit and loss - current".

(III) Fair value estimation

1. Please refer to Note XIX (II) 1. for the fair value information of the financial assets that are not measured at the fair value.
2. The valuation technique for measuring the fair value of financial instruments is defined as follows:
 - Level 1: The quotation (unadjusted) of the same assets or liabilities that can be acquired by the Company in an active market on the measurement date. An active market refers to the market with sufficient frequency and quantity of the assets or liabilities transactions took place in order to provide market pricing information constantly. It includes the fair value of the Company's investments in the listed/OTC stock, beneficiary certificates, and derivatives with market quotation available.
 - Level 2: It refers to the directly or indirectly observable input value of asset or liability, except for those quotations included in Level 1.
 - Level 3: The unobservable inputs of assets or liabilities It includes the Company's equity investment without market quotation available.
1. The Company's financial and non-financial instruments measured at fair value on December 31, 2015 and 2014 are classified by the nature of assets and liabilities, characteristics and risks, and fair value as follows:

(In Blank hereinafter)

December 31, 2015	Class I	Class II	Class III	Total
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 242,139	\$ -	\$ -	\$ 242,139
Beneficiary notes	38,653	-	-	38,653
Open-ended funds and money market instruments	10,208	-	-	10,208
Futures trade	268,110	-	-	268,110
Options trade	7,199	-	-	7,199
Available-for-sale financial assets				
Equity securities	127,104	-	990,491	1,117,595
Total	\$ 693,413	\$ -	\$ 990,491	\$ 1,683,904
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Options trade	\$ 10,069	\$ -	\$ -	\$ 10,069
December 31, 2014	Class I	Class II	Class III	Total
<u>Assets</u>				
Financial assets at fair value through profit or loss				
Equity securities	\$ 83,816	\$ -	\$ -	\$ 83,816
Beneficiary notes	9,525	-	-	9,525
Futures trade	22,394	-	-	22,394
Options trade	7,317	-	-	7,317
Available-for-sale financial assets				
Equity securities	136,334	-	815,035	951,369
Total	\$ 259,386	\$ -	\$ 815,035	\$ 1,074,421
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss				
Options trade	\$ 5,989	\$ -	\$ -	\$ 5,989

4. The methods and assumptions used by the Company to measure fair value are described as follows:

- (1) The fair value of financial instruments traded in active markets is based on quoted market prices at the individual balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions at arm's length. The quoted market price used for financial assets held by the Company is the closing price. These instruments are included in Level 1. Instruments included in Level 1 comprise primarily equity instruments and debt instruments classified as financial assets/liabilities at fair value through profit or loss or

available-for-sale financial assets.

- (2) The fair value of financial instruments that are not traded in an active market (such as derivatives traded over the counter) is determined by using the valuation technique. The valuation technique maximizes the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to calculate the fair value of a financial instrument are observable, the instrument is included in Level 2.
 - (3) If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.
 - (4) Specific valuation techniques used to value financial instruments include:
 - A. Quoted market prices or dealer quotes for similar instruments.
 - B. Other valuation techniques, such as discounted cash flow analysis, are used to determine the fair value of all other financial instruments.
5. There was not any transfer between Level 1 and Level 2 on January 1 ~ December 31, 2015 and 2014, respectively.
6. The changes in Level 3 on January 1 ~ December 31, 2015 and 2014, respectively, are described as follows:

	<u>Equity securities</u>
January 1, 2015	\$ 815,035
Gain or loss recognized in other comprehensive profit or loss (Note 1)	<u>175,456</u>
December 31, 2015	<u>\$ 990,491</u>
	<u>Equity securities</u>
January 1, 2014	\$ 841,071
Current disposal	(156,817)
Gains recognized in the current profit or loss (Note 2)	(278,150)
Gain or loss recognized in other comprehensive profit or loss (Note 1)	<u>408,931</u>
December 31, 2014	<u>\$ 815,035</u>

Note 1: It is booked as “Unrealized valuation profit and loss of the available-for-sale financial assets.”

Note 2: It is booked as “Other profit and loss.”

7. The quantitative information of the significant unobservable input value of the valuation model used for the measurement of fair value in Level 3 and the significant unobservable input value are described as follows:

	<u>Fair value on December 31, 2015</u>	<u>Valuation technique</u>	<u>Significant unobservable input value</u>	<u>Range (Weighted average)</u>
Non-derivative equity instruments:				
Non-TWSE/GTSM-listing companies stock	\$ 990,491	Market Approach	P/E multiplier Market liquidity reduction	18.91~29.04 25%

8. The valuation process of fair value in Level 3 is with the fair value of the financial instrument validated by the Risk Management Department. The relevant results of the evaluation are reviewed and approved by the Risk Management Department of the Financial Holdings, the parent company. The Risk Management Department is to ensure the valuation procedure and valuation result in compliance with the

International Accounting Standards by assessing the independence, reliability, consistency, and representativeness of the data sources; also, by validating valuation model and calibrating valuation parameters periodically.

9. The Company’s measuring the fair value of financial instruments is reasonable; however, the use of different valuation model or valuation parameters may lead to different valuation results. For the financial instruments classified into Level 3, if the valuation parameter has been changed by 1% up or down, the impact on the current profit or loss or other comprehensive profit and loss is as follows:

		December 31, 2015			
		Recognized in profit or loss		Recognized in “Other comprehensive income”	
		Favorable change	Adverse change	Favorable change	Adverse change
Financial assets					
Equity instrument		\$ -	\$ -	\$ 3,302	(\$ 3,302)

		December 31, 2014			
		Recognized in profit or loss		Recognized in “Other comprehensive income”	
		Favorable change	Adverse change	Favorable change	Adverse change
Financial assets					
Equity instrument		\$ -	\$ -	\$ 2,717	(\$ 2,717)

(IV) Risk management system

1. Risk management objectives

The Company establishes appropriate and effective risk management methods, models and systems by continuously enhancing the completeness of our risk management mechanism. The Company rigorously monitors the status and changes of the overall risks and controls the potential losses that may arise from operations within a scope that is manageable by the Company’s capital and businesses; and under this presumption, the Company effectively and appropriately allocates capital to enhance the rate of risk adjusted return on capital.

2. Risk management system

The risk management of the Company is pursued in accordance with the risk management policy of the financial holding parent and the requirements of “Risk Management Best-Practice Principles for Commission Futures Merchants” of the TSEC. The Company has established the “Risk Management Policy” that has been approved by the Board whereby the objective, scope, authority and responsibility of risk management system of the Company have been explicitly stated. This shall be the supreme guideline for the enforcement of risk management.

3. Risk management organizations

- (1) The risk management organization of the Company includes the Board of Directors, audit committee, senior managements, risk management department, legal compliance department, audit department, all business units and each functional committee to collective form three layers in risk management.

- A. First Layer: Each business unit and each functional committee for the daily operation and management, and is the unit and personnel for risk identification, self-evaluation and execution and implementation of controls.
 - B. Second Layer: Including senior managements, risk management department, legal compliance department; their duties are to conduct risk monitoring, management and emergency response measures according to risk appetite and standards; Apart from the regular organizations, we also participate in the “Risk management committee” of the financial holding company we belong to, in order to strengthen the integrated risk control.
 - C. The third line of defense: The Board of Directors, Audit Committee and Audit Department are the last line of defense. The Audit Department adopts a risk-based approach to audit to ensure that the Company’s various risks are effectively controlled.
- (2) Main functions of each units within the risk management organizations in the Company:
- A. Board of Directors: The board of directors is ultimately responsible for the managing the risks arising from the Company’s various operations. As such, the Board shall be fully informed of the risks confronting the Company to determine the risk appetites, accurately allocate resources and delegate risk management responsibilities to the managers under an effective risk management structure. The Board of Directors of the Company regularly listen to risk management and other related reports from the risk management department, audit department and the finance department, weighing up between financial and business related requirement with impacts on capital allocations, and considers the collective effect from all risk from the overall company perspective to decide on risk response strategy.
 - B. Audit Committee: Assist the Board of Directors in supervising the execution of all risk management systems, its duties include: review of risk appetite and risk tolerance, review of risk management policies and related guidelines, review of all annual risk limit authorization, and supervise execution of risk management system of the Company.
 - C. Risk Management Department: Reporting directly to the Board of Directors and is responsible for managing the Company’s market risk, liquidity risk and credit risk and jointly controls operations risk with the audit department. The main duty of risk management department is in the actual monitoring, measuring and assessing of daily risks of the Company. It performs its duties independent of the business units and trading activities, and is accountable directly to the Board of Directors. In practice, through application of the risk management information system, to perform real time monitoring of market in progress and summary analysis after market close, to detect and inspect the risk limit utilization status by each business units, evaluate risk exposures and concentrations with complete risk management related reports provided when appropriate.
 - D. Internal Audit Department: Internal Audit is an independent department similar to the Risk Management, which are both created under the Board of Directors. Its responsibility is to ensure regulatory compliance and compliance to internal policies within the Company, while supervising to ensure effective management over operational risks. The Company has complied with the internal control policies set forth by the competent authority and audit its business activities. Also, the Company is able to adjust

its operational risk procedures to accommodate any changes in policy by the competent authority, Taiwan Futures Exchange, or Chinese National Futures Association.

- E. Compliance Department: The Compliance Department is responsible for supervising compliance within the Company and reviewing the legitimacy of contractual documents. Furthermore, the Compliance Department offers professional opinions on any legal issues that the Company may encounter while engaging in business activities, such as the legal risks involved in product contracts or transactions. It works with the Internal Audit Department to ensure regulatory compliance.
- F. Business units: Business units are the forefront of our risk management framework. The unit heads are responsible for all risk management issues associated with their business and trading activities. It is part of their jobs to analyze risks, develop responsive plans, and execute contingent measures whenever necessary. They are required to report to the Risk Management Department and ensure that risk control mechanisms are properly implemented, and comply with regulatory requirements as well as the Company's risk management policies.

4. Risk management procedure

The risk management procedure of the Company is divided into 4 steps, namely, risk identification, risk assessment, risk management, and risk reporting. The purpose of the design of risk management procedure is to ensure all risks internal to the Company can be effectively managed.

- (1) Risk identification: The Company identifies its risk mainly through business or product analysis whereby the risks confronting the operation of the Company, including market risk, credit risk, liquidity risk, operation risk, legal risk and model risk, can be identified. Relevant risks factors were identified by sources of risks basing on which appropriate risk assessment methods were selected for determining suitable risk indicators and standards, risk control procedure and integration with the internal control system.
- (2) Risk evaluation: The Company measures market risk using scenario analysis, sensitivity analysis and the VaR (value at risk) model; the Company evaluates credit risk using the credit rating system and options valuation model (such as KMV) in accordance with the Group's credit risk rating system; the Company evaluates operational risk by establishing standardized operational procedures and a reporting mechanism for internal and external events, reviewing current operational procedures and by using operational risk management tools.
- (3) Risk management: The risk monitoring and management of the Company is pursued through the design of management tools, the proper enforcement of the limits, and the assignment of authority and responsibilities. Different management tools, risk management information systems and reports have been designed by the nature of different risks. Through the proper use of management tools, the Company can enhance the efficiency and upgrade the quality of risk management, to the extent that risk monitoring and management can be pursued as substantive procedure and can be duly observed.
- (4) Risk report: The result of risk management is manifested in the forms of risk management report, routine disclosure of risks, and risk management execution report. Such information helps the senior management to map out relevant policy and pursue timely risk management.

5. Hedging and risk mitigation strategies

The Company stipulates hedging instruments and mechanism according to the size of capital and risk tolerance and effectively controls the Company's risks within pre-approved limits by using appropriate hedging mechanisms. Hedging is achieved by utilizing the authorized financial instruments according to market movements, business strategy, product attributes and risk management regulations. The overall risk structure and risk standards are adjusted to an acceptable level.

(V) Market risk

The Company's financial assets include bank deposits, government bonds, treasury bills, bank debentures, negotiable certificate of deposits, commercial papers or other short-term notes approved by the Ministry of Finance and investment in securities listed on the domestic exchange and GreTai securities market, securities investment trust fund, offshore funds offered or sold in the Republic of China as approved or effected by the competent authority, futures trust fund, futures transactions announced by the competent authority in accordance with Article 5 of the Futures Trading Act, bond option hedges conducted by financial institutions that offer bond option trading and other instruments approved by the competent authority. The risks associated with these instruments primarily arise from market price and interest rate fluctuations that result in changes in the assets' values.

The Company has put in place risk management policies for the various instruments in order to manage market risk, including Proprietary Trading Risk Management Guidelines and Risk Management Guidelines for Medium- and Long-term Investments. The Company also puts in place control mechanisms, such as limits on positions, stop-loss limits and exception management according to the risk attributes of the various instruments. The Company uses the VaR model to undertake quantitative and integrated management of market risk to accurately evaluate and monitor the market risk of the respective positions.

In terms of market risk measurement model, the Company currently bases on the maximum possible loss of the daily trade in future at the 99% confidence level to measure market risk; also, the risk of equity, instrument, exchange rate, and interest rate is classified by the type of trade as follows:

[Table] VaR information for the various groups of trading activities

Statistical period: January 1, 2015

Classification	Equity	Instrument	Exchange rate	Interest rate	Total
2015/12/31	\$ 8,124	\$ 979	\$ 86	\$ 294	\$ 8,100
Average	6,452	1,120	350	461	6,543
Lowest	1,747	164	54	48	1,928
Highest	37,622	4,007	1,446	1,293	37,948

Statistical period: January to December, 2014

Classification	Equity	Instrument	Exchange rate	Interest rate	Total
2014/12/31	\$ 3,457	\$ 1,782	\$ 191	\$ 451	\$ 3,322
Average	4,364	3,173	771	198	5,517
Lowest	700	302	-	-	891
Highest	15,599	7,969	3,103	702	17,719

Note 1: The table contains VaR information for futures proprietary trading, securities proprietary trading but excludes medium- and long-term securities investment.

Note 2: Common VaR may be less than the total of four VaR, including equity, instrument, exchange rate, and interest rate due to risk diversification effects.

The Company continuously undertakes model verification and retrospective testing to

ensure that the VaR model may reasonably, completely and accurately measure the maximum potential risks of a specific financial instrument or investment portfolio.

(VI) Credit risk analysis

The Company's exposure to credit risk arising from financial transactions pertains to the risk of loss that the issuers or counterparties might default on contracts and the credit risk of the underlying assets:

- (1) Issuer credit risk refers to the risk of loss that may be suffered by the Company arising from default by the issuer (or guarantor) or a bank on debt instruments or bank deposits held by the Company due to breach of contract, bankruptcy or liquidation.
- (2) Counterparty credit risk refers to the risk of loss that may be suffered by the Company due to the counterparty's failure to settle or make payments on the agreed date.
- (3) Credit risk arising from underlying securities refers to the risk of loss associated with a deterioration in the credit quality, increase in the risk premium and downward revision of the credit rating of the assets to which a financial instrument is linked, and credit event as defined in the agreement.

The Company is exposed to credit risk from financial assets including bank deposits, debt securities, OTC derivatives, RP/RS agreements, securities lending, refundable deposit for short sale securities loan, margin deposit for futures trading, other refundable deposits¹ and receivables².

1. Concentration of credit risk exposure

(1) By geographic location:

The Company is exposed to credit risk arising from financial assets as follows. The exposures are concentrated in R.O.C. (91.36%), Europe (7.95%) and Asia (0.61%, excluding Taiwan) on December 31, 2015. The percentage of investment in Europe is increased in current year over the previous period.

<u>Area</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Taiwan	\$ 50,062,843	\$ 33,688,039
Asia (excluding Taiwan)	334,256	1,484,068
Europe	4,356,626	1,103,810
America	43,853	38,176
Total	<u>\$ 54,797,578</u>	<u>\$ 36,314,093</u>

¹ Other refundable deposits include operating bond, settlement and clearing fund and refundable deposits.

² Receivables include accounts receivable, other receivable and receivables for consignment trading.

(2) By industry:

On December 31, 2015, the Company's exposures to credit risk arising from financial assets by industry (as shown in the table below) are concentrated on financial institutions (99.98%) where exposures to credit risk of other industry groups was minimal at less than 1%. This is due to the fact that the Company's core equity and customers' margin deposits are held at financial institutions and that the Company also holds debt securities issued or secured by banks. In addition, the counterparties to derivative transactions and RP/RS transactions are financial institutions including banks, futures clearing and settlement corporation and sub-brokered futures merchants. There was little change in the concentration status comparing to that of the same period last year.

<u>By industry</u>	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Private enterprise	\$ -	\$ 5,885
Financial institutions	54,787,286	36,298,413
Public businesses	4	4
Others	10,288	9,791
Total	<u>\$ 54,797,578</u>	<u>\$ 36,314,093</u>

2. Analysis of credit risk quality

The Company classifies credit risk into four categories including Good, Moderate, Substandard and Other, which are defined as follows:

- (1) Sound: The Company or the issuer of the underlying securities demonstrates a sound capacity to meet financial commitments even when confronted with significant uncertainties or exposed to highly unfavorable conditions.
- (2) Moderate: The Company or the issuer of underlying securities demonstrates an acceptable capacity to meet financial commitments, however, such capacity may deteriorate when confronted with significant uncertainties or exposed to highly unfavorable conditions.
- (3) Substandard: The capacity of company or the issuer of underlying securities to meet financial commitments is relatively substandard and may vary according to the operating environment and financial condition.
- (4) Other: Indicates that the Company or the issuer of underlying securities defaulted on financial commitments or the credit risk cannot (need not) be graded internally due to other factors.

The financial assets of the Company are grouped into the following categories according to their credit quality. The credit risk classification was with 99.98% rated "excellent" and 0.02% rated "below standard" on December 31, 2015. There has been little change in the classification of the Company's exposure to credit risk arising from financial assets.

By quality classification	December 31, 2015	December 31, 2014
Excellence	\$ 54,784,800	\$ 36,218,444
Average	-	82,977
Before average	12,778	12,641
Others	-	31
Total	\$ 54,797,578	\$ 36,314,093

(Blank hereinafter)

(VII) Liquidity risk analysis

1. Liquidity risk refers to the risk of inability to source sufficient funds within an expected timeframe, thus resulting in default on maturity. The Company manages liquidity risk according to the nature of businesses, formulates liquidity indicators and sets pre-warning indicators such as the current ratio, limits on borrowings and liquidity gaps to evaluate the liquidity gaps for the respective maturities and hence to effectively manage the overall liquidity risk. The Company also sets up a contingency liquidity plan sufficient to respond to systematic risk events or abnormal liquidity flows to fully cover the Company's liquidity risk. The Company puts in place regulations governing fund utilization and liquidity risk management on the basis of ensuring current assets are easily convertible to cash, marketable and secure. The regulations cover bank deposits, bonds, and RP/RS transactions, which shall meet specific internal credit rating standards. The Company monitors open positions and liquidity status from time to time.
2. The maturity analysis on the Company's financial liabilities is as follows. The Company has sufficient operating capital to meet future funding requirements and as such, the Company is not subject to the risk of being unable to source funds to meet its financial commitments.

Statement of Financial Liabilities Cash Flow Analysis on December 31, 2015

Account Code	Financial liabilities	Payment period					Total
		Current	Within 3 months	3~12 months	1~5 years	After 5 years	
212000	Financial liabilities at fair value through profit or loss- current	\$ 10,069	\$ -	\$ -	\$ -	\$ -	\$ 10,069
214080	Futures traders' equity	49,595,196	-	-	-	-	49,595,196
214130	Accounts payable	-	138,829	-	-	-	138,829
214140	Accounts payable - related parties	-	25,938	-	-	-	25,938
214170	Other payables	-	180,038	3,138	1,986	197	185,359
214180	Other payables - related parties	-	434	-	-	-	434
219000	Other current liabilities	-	3,295	3,551	12	-	6,858
	Total	<u>\$ 49,605,265</u>	<u>\$ 348,534</u>	<u>\$ 6,689</u>	<u>\$ 1,998</u>	<u>\$ 197</u>	<u>\$ 49,962,683</u>
	Percentage of total	99.29%	0.70%	0.01%	0.00%	0.00%	100.00%

Statement of Financial Liabilities Cash Flow Analysis on December 31, 2014

Account Code	Financial liabilities	Payment period					Total
		Current	Within 3 months	3~12 months	1~5 years	After 5 years	
212000	Financial liabilities at fair value through profit or loss- current	\$ 5,989	\$ -	\$ -	\$ -	\$ -	\$ 5,989
214080	Futures traders' equity	29,930,972	-	-	-	-	29,930,972
214130	Accounts payable	423	92,037	508	-	-	92,968
214140	Accounts payable - related parties	-	25,285	-	-	-	25,285
214170	Other payable	-	132,629	8,196	1,985	197	143,007
214180	Other payables - related parties	-	466	-	-	-	466
219000	Other current liabilities	-	4,502	3,434	12	-	7,948
	Total	<u>\$ 29,937,384</u>	<u>\$ 254,919</u>	<u>\$ 12,138</u>	<u>\$ 1,997</u>	<u>\$ 197</u>	<u>\$ 30,206,635</u>
	Percentage of total	99.11%	0.84%	0.04%	0.01%	0.00%	100.00%

Note: The amounts of financial liabilities presented in the statement of cash flows are presented on a cash basis and not discounted.

Statement of Cash Flow Gap on December 31, 2015

Account Code	Financial liabilities	Payment period					Total
		Current	Within 3 months	3~12 months	1~5 years	After 5 years	
111100	Cash and cash equivalents	\$ 748,703	\$ 2,083,791	\$ 1,157,300	\$ -	\$ -	\$ 3,989,794
112000	Financial assets at fair value through profit or loss- current	566,309	-	-	-	-	566,309
113400	Available-for-sale financial assets - current	37,876	-	-	-	-	37,876
114070	Customers' margin accounts	49,756,070	-	-	-	-	49,756,070
114080	Futures trading margin receivable	703	-	-	-	-	703
114100	Stock Borrowing Margin (SBL)	25,901	-	-	-	-	25,901
114130	Accounts receivable		31,148	-	-	-	31,148
114140	Accounts receivable - related parties	-	5,200	-	-	-	5,200
114170	Other receivable	-	8,675	-	-	-	8,675
114180	Other receivables - related parties	-	26,054	-	-	-	26,054
119990	Other current assets		31	-	-	-	31
123400	Available-for-sale financial assets - non-current	-	-	-	1,079,719	-	1,079,719
129010	Business guaranty bond	-	-	-	-	185,000	185,000
129020	Settlement / clearance fund	-	-	-	-	491,338	491,338
129030	Guarantee deposits paid	-	-	-	9,585	-	9,585
	Subtotal	\$ 51,135,562	\$ 2,154,899	\$ 1,157,300	\$ 1,089,304	\$ 676,338	\$ 56,213,403
	Cash inflow	\$ 51,135,562	\$ 2,154,899	\$ 1,157,300	\$ 1,089,304	\$ 676,338	\$ 56,213,403
	Cash outflow	49,605,265	348,534	6,689	1,998	197	49,962,683
	Capital gap	\$ 1,530,297	\$ 1,806,365	\$ 1,150,611	\$ 1,087,306	\$ 676,141	\$ 6,250,720

Statement of Cash Flow Gap on December 31, 2014

Account Code	Financial liabilities	Payment period					Total
		Current	Within 3 months	3~12 months	1~5 years	After 5 years	
111100	Cash and cash equivalents	\$ 1,023,489	\$ 2,195,815	\$ 2,254,872	\$ -	\$ -	\$ 5,474,176
112000	Financial assets at fair value through profit or loss- current	123,052	-	-	-	-	123,052
113400	Available-for-sale financial assets - current	52,151	-	-	-	-	52,151
114070	Customers' margin accounts	30,083,366	-	-	-	-	30,083,366
114080	Futures trading margin receivable	16	-	-	-	-	16
114130	Accounts receivable	-	9,735	-	-	-	9,735
114140	Accounts receivable - related parties	-	4,982	-	-	-	4,982
114170	Other receivable	-	37,176	31	-	-	37,207
114180	Other receivables - related parties	-	7,775	-	-	-	7,775
119990	Other current assets	-	5	-	-	-	5
123400	Available-for-sale financial assets - non-current	-	-	-	899,218	-	899,218
129010	Business guaranty bond	-	-	-	-	185,000	185,000
129020	Settlement / clearance fund	-	-	-	-	479,669	479,669
129030	Guarantee deposits paid	-	-	-	9,768	-	9,768
	Subtotal	<u>\$ 31,282,074</u>	<u>\$ 2,255,488</u>	<u>\$ 2,254,903</u>	<u>\$ 908,986</u>	<u>\$ 664,669</u>	<u>\$ 37,366,120</u>
	Cash inflow	\$ 31,282,074	\$ 2,255,488	\$ 2,254,903	\$ 908,986	\$ 664,669	\$ 37,366,120
	Cash outflow	<u>29,937,384</u>	<u>254,919</u>	<u>12,138</u>	<u>1,997</u>	<u>197</u>	<u>30,206,635</u>
	Capital gap	<u>\$ 1,344,690</u>	<u>\$ 2,000,569</u>	<u>\$ 2,242,765</u>	<u>\$ 906,989</u>	<u>\$ 664,472</u>	<u>\$ 7,159,485</u>

Yuanta Futures Co., Ltd.
Other profits and losses statement
January 1 to December 31, 2015

Unit: NT\$ thousand

(VIII)Exchange rate risk

1. The Company is subject to exchange rate risks as the Group's business involves several non-functional currencies. Details of foreign currency assets and liabilities subject to significant exchange rate fluctuations are as follows:

(Foreign currency: Functional currency)	December 31, 2015		December 31, 2014	
	Foreign currency (NT\$1000)	Exchange rate	Foreign currency (NT\$1000)	Exchange rate
<u>Financial assets</u>				
<u>Monetary items</u>				
USD: NT\$	\$ 837,307	32.8250	\$ 406,673	31.6500
JPY: NT\$	1,339,634	0.2727	571,241	0.2646
HKD: NT\$	89,820	4.2350	51,171	4.0800
EUR: NT\$	3,919	35.8800	3,861	38.4700
GBP: NT\$	1,659	48.6700	952	49.2700
AUD: NT\$	477	23.9850	484	25.9050
SGD: NT\$	43	23.2500	61	23.9400
RMB: NT\$	28,689	4.9950	260,757	5.0920
CHF: NT\$	23	33.1850	-	-
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD: NT\$	822,835	32.8250	399,966	31.6500
JPY: NT\$	1,196,539	0.2727	462,722	0.2646
HKD: NT\$	82,472	4.2350	42,982	4.0800
EUR: NT\$	3,538	35.8800	3,685	38.4700
GBP: NT\$	1,267	48.6700	626	49.2700
AUD: NT\$	472	23.9850	472	25.9050
SGD: NT\$	2,550,875	23.2500	60	23.9400
CHF: NT\$	20	33.1850	-	-

2. The total exchange profit and gain (including realized and unrealized) of the Company's monetary items due to significant exchange rate fluctuation amounted to (NT\$20,223) and NT\$55,037 in 2015 and 2014, respectively.

(Blank hereinafter)

Yuanta Futures Co., Ltd.

Chairman Mr. Lin, Tien-Fu

Date published: February 29, 2016