Polaris Futures Co., Ltd.

Financial Statements for the

Years Ended September 30, 2011 and 2010 and

Independent Auditors' Review Report

(Stock Code: 6023)

Readers are advised that the original version of these financial statements is in Chinese. If there is any conflict between these financial statements and the Chinese version or any difference in the interpretation of the two versions, the Chinese-language financial statements shall prevail.

Polaris Futures Co., Ltd.

CONTENTS

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

The Board of Directors and Shareholders
Polaris Futures Co., Ltd.

We have reviewed the accompanying balance sheets of Polaris Futures Co., Ltd. as of September 30, 2011 and 2010, and the related statements of income and cash flows for the nine months then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to issue a report on these financial statements based on our reviews. The financial statements of the Company's investee, MF Global Futures Trust Co.,Ltd. were not audited by us but by other independent accountants, therefore the amounts of MF Global Futures Trust Co.,Ltd. stated in these financial statements were based on the audit reports issued by another accounting firm. As of September 30, 2011 and 2010, the amount of long-term investment in MF Global Futures Trust Co.,Ltd. was $81,110 and $87,030 thousands and held up to 0.36% and 0.42% of total assets value. From January 1 to September 30, 2011 and 2010, the investment loss to MF Global Futures Trust Co.,Ltd. was $4,782 and $8,342 thousands and held up to (1.06%) and (2.99%) of net income before tax.

We conducted our reviews in accordance with Statement on Auditing Standards No. 36, "Review of Financial Statements," issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

AS the result of reviewing, we did not find material issues which violated general accepted accounting principles and required for corrections in the financial statements mentioned in the first paragraph.

As stated Note No.3, since January 1, 20011, POLARIS FUTURES CO.,LTD. had adopted SFAS No.34 financial Instrruments:Recognition and Measurement and also adopted SFAS 41 Operating Segments for the accounting treatment on its books.

POLARIS FUTURES CO., LTD. had prepared the consolidated financial statements of 3rd quarter of 2011, and we had issued modified unqualified Review report for reference.

First Crowe Horwath & Company, CPAs
Taipei, Taiwan
Republic of China
October 14, 2011

<u>Notice to Readers</u>

The accompanying financial statements are not intended to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of the independent accountants are not intended for use by those who are not informed about the accounting principles and auditing standards generally accepted in the Republic of China, and their applications in practice.

POLARIS FUTURES CO., LTD.

Balance Sheets

For The Nine Months Ended September 30, 2011 and 2010

(In Thousands of New Taiwan Dollars,Except Par Value)

ASSETS	Note	September 30,2011 Amount	%	September 30,2010 Amount	%
CURRENT ASSETS		$ 21, 921, 286	96	$ 20, 001, 353	97
Cash and cash equivalents	(II)-1, (IV)-1	1, 895, 577	8	1, 900, 430	9
Financial assets at fair value through profit or loss	(II)-2, (IV)-2	916, 771	4	732, 178	4
Margin deposits	(II)-6, (IV)-3, (V)	19, 037, 590	84	17, 312, 983	84
Futures trading margin receivable		1, 889	-	-	-
Securities borrowed guarantee deposits		13, 395	-	-	-
Accounts Receivable-non-related parties		8, 074	-	6, 356	-
Accounts Receivable-related parties	(V)	588	-	2, 374	-
Prepayment		3, 002	-	2, 505	-
Other Receivables		44, 400	-	41, 931	-
Other current assets		-	-	2, 596	-
FUNDS AND LONG-TERM INVESTMENTS	(II)-3、4、5, (IV)-4	299, 838	1	122, 532	1
Available for sale financial assets-noncurrent		35, 502	-	35, 502	-
Investments accounted for using equity method		264, 336	1	87, 030	1
FIXED ASSETS	(II)-7, (IV)-5	104, 782	1	112, 358	-
Equipments		284, 451	2	254, 077	1
Prepayment for equipments		11, 694	-	25, 330	-
Leasehold improvements		73, 624	-	67, 550	-
Less : accumulated depreciation		(264, 987)	(1)	(234, 599)	(1)
INTANGIBLE ASSETS		16, 297	-	4, 791	-
Deferred pension costs	(II)-14	3, 817	-	-	-
Other intangible assets	(II)-8	12, 480	-	4, 791	-
OTHER ASSETS	(IV)-6	394, 787	2	458, 188	2
Operations guarantee deposits	(II)-9	185, 000	1	185, 000	1
Clearing and settlement funds	(II)-10	186, 000	1	211, 000	1
Refundable deposits		9, 280	-	8, 127	-
Deferred income tax assets-non-current	(II)-16, (IV)-12	14, 507	-	54, 061	-
TOTAL ASSETS		$ 22, 736, 990	100	$ 20, 699, 222	100

LIABILITIES AND SHAREHOLDERS' EQUITY	Note	September 30,2011 Amount	%	September 30,2010 Amount	%
CURRENT LIABILITIES		$ 19, 407, 880	85	$ 17, 600, 829	85
Financial liabilities at fair value through profit or loss	(II)-2, (IX)	61, 613	-	45, 727	-
Futures traders' equity	(II)-11, (IV)-3, (V)	19, 021, 422	84	17, 297, 919	84
Notets payable-related parties		-	-	1, 126	-
Accounts payable-non-related parties		77, 863	-	39, 792	-
Accounts payable-related parties	(V)	15, 637	-	12, 975	-
Other payables	(IV)-7	223, 440	1	197, 108	1
Other current liabilities		7, 905	-	6, 182	-
OTHER LIABILITIES		87, 133	-	315, 987	1
Reserve for breach of contract losses	(II)-12	-	-	200, 000	1
Reserve for trading losses	(II)-13, (IV)-8	-	-	34, 587	-
Accrued pension liabilities	(II)-14, (IV)-8	25, 330	-	19, 597	-
Reserve for bad debts losses	(II)-15	61, 803	-	61, 803	-
TOTAL LIABILITIES		19, 495, 013	85	17, 916, 816	86
Capital stock	(IV)-9	1, 312, 763	6	1, 312, 763	7
Common stock		1, 312, 763	6	1, 312, 763	7
Capital surplus		407, 633	2	407, 633	2
Premium from business merger		46, 333	-	46, 333	-
Premium from issuing stocks		361, 300	2	361, 300	2
Retained earnings		1, 531, 535	7	1, 062, 010	5
Legal reserve		310, 230	1	280, 486	1
Special reserve	(IV)-10	824, 179	4	560, 973	3
Unappropriated retained earnings	(IV)-11	397, 126	2	220, 551	1
Other stockholders' equity		(9, 954)	-	-	-
Cumulative translation adjustments		(9, 954)	-	-	-
TOTAL SHAREHOLDERS' EQUITY		3, 241, 977	15	2, 782, 406	14
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		$ 22, 736, 990	100	$ 20, 699, 222	100

Note1: Please refer to the accompanying notes of the financial statements and the audit report signed by First Horwath & Company, CPAs on October 14, 2011.

Note2: Reviewed,but not audited in accordance with general accepted auditing standards.

POLARIS FUTURES CO., LTD.

Income Statements

For The Nine Months Ended September 30, 2011and 2010

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Descriptions	Note	September 30,2011		September 30,2010	
		Amount	%	Amount	%
REVENUES	(II)-17				
Brokerage		$ 1,104,391	25	1,061,410	49
Gain on disposal of securities-self operating		-	-	435	-
Dividend Revenue		10,597	-	315	-
Gain on valuation of stock operating-self operating		-	-	17	-
Clearance fee from consignation		56,434	1	33,358	2
Gain on disposal of derivative financial instruments		3,102,201	70	906,059	42
Futures advisory revenues		1,273	-	503	-
Other operating revenues		5,804	-	2,955	-
Nonoperating revenues		172,817	4	141,820	7
Total Revenues		4,453,517	100	2,146,872	100
EXPENSES	(II)-17				
Brokerage fee		(141,571)	(3)	(123,817)	(6)
Dealer handling fee		(77,446)	(2)	(42,849)	(2)
Loss on disposal of securities-self operating		(12,304)	-	-	-
Futures commission		(291,691)	(7)	(299,217)	(14)
Clearance fee		(194,877)	(4)	(140,184)	(6)
Loss on disposal of derivative financial instruments		(2,486,357)	(56)	(592,539)	(28)
Operating expenses		(785,056)	(18)	(644,051)	(30)
Nonoperating expenses and losses		(12,331)	-	(25,673)	(1)
Total Expenses		(4,001,633)	(90)	(1,868,330)	(87)
Net income before income tax		451,884	10	278,542	13
Income tax expenses	(II)-15, (IV)-12	(55,728)	(1)	(58,167)	(3)
Net income		$ 396,156	9	$ 220,375	10
Earnings per share	(II)-19, (IV)-13				
Earnings before income tax		$ 3.44		$ 2.12	
Income tax expense		(0.42)		(0.44)	
Net earnings after tax		$ 3.02		$ 1.68	

Note1: Please refer to the accompanying notes of the financial statements and the audit report signed by First Horwath & Company, CPAs on October 14, 2011.

Note2: Reviewed,but not audited in accordance with general accepted auditing standards.

POLARIS FUTURES CO., LTD.

Statements of Cash Flows

For The Nine Months Ended September 30, 2011and 2010

(In Thousands of New Taiwan Dollars)

	September 30,2011	September 30,2010
Cash flows from operating activities		
Net income	$ 396,156	$ 220,375
Adjustments		
Depreciation	27,090	27,098
Amortization	3,133	2,443
Equity in earnings of equity method investees,net	4,922	8,342
Loss (Gain) on disposal of short term investments	(1,170)	1,359
Valuation loss (gain) on financial assets	-	112
Reserve for breach of contract losses	-	7,430
Reserve for trading losses	-	31,667
Loss on disposal of fixed assets	-	16
Increase in call options	(39,599)	(19,065)
Increase in futures trading margin - house fund	(80,467)	(43,624)
Increase in margin deposits	(2,777,929)	(1,116,298)
Increase in futures trading margin receivable	(1,889)	-
Increase in securities borrowed guarantee deposits	(13,394)	-
Increase in accounts receivable	(2,981)	(5,144)
Increase in accounts receivable-related party	(31)	(2,367)
Increase in other receivables	(31,492)	(25,802)
Decrease in prepayments	537	1,200
Decrease in deferred income tax assets	4,364	2,582
Decrease in other current assets	-	90
Increase (Decrease) in put option liabilities	(48,907)	42,569
Increase in futures traders' equity	2,779,882	1,121,708
Increase in notets payable-related parties	-	1,126
Increase in accounts payable-non-related party	39,955	3,293
Increase in accounts payable-related party	2,893	1,390
Increase (Decrease) in income tax payables	3,514	(22,109)
Increase (Decrease) in other accounts payable	34,898	(35,780)
Decrease in other current liabilities	(713)	(1,280)
Increase in accrued pension liabilities	1,485	1,239
Net cash provided by operating activities	300,257	202,570

(Continued on following page)

(Continued from preceding page)

Cash flows from investing activities		
Decrease in open fund and monetary market tools	17,041	91,696
Acquisition of fixed assets	(28,102)	(22,681)
Increase in intangible assets	(7,223)	(1,216)
Disposal of investments accounted for equity method	-	50
Increase in operations guarantee deposits	-	(30,000)
(Increase) decrease in clearing and settlement funds	23,000	(45,000)
(Increase) decrease in refundable deposits	(1,154)	357
Net cash provided by (used in) investing activities	3,562	(6,794)
Cash flows from financing activities		
Cash dividends to shareholders	(207,417)	(240,236)
Net cash used in financing activities	(207,417)	(240,236)
Net increase (decrease) in cash and cash equivalents	96,402	(44,460)
Cash and cash equivalents at the beginning of the period	1,799,175	1,944,890
Cash and cash equivalents at the end of the period	$ 1,895,577	$ 1,900,430
Supplemental Disclosures of cash flow information		
Interest paid	$ 5,517	$ 2,546
Income tax paid	$ 42,151	$ 79,816
NONCASH INVESTING AND FINANCING		
Transform Reserve for breach of contract losses and Reserve for trading losses to Special reserve	$ 203,717	$ -

Note1: Please refer to the accompanying notes of the financial statements and the audit report signed by First Horwath & Company, CPAs on October 14, 2011.

2: Reviewed,but not audited in accordance with general accepted auditing standards.

POLARIS FUTURES CO., LTD.
Notes to Financial Statements
For the nine months ended September 30, 2011 and 2010
(Amounts expressed in thousands of New Taiwan dollars, unless specify otherwise)
(Reviewed, but not audited in accordance with general accepted auditing standards)

I. History and Organization

Polaris Futures Co., Ltd. (hereinafter referred to as "the Company") was officially incorporated on April 9, 1997 under the Company Law and other relevant regulations in the Republic of China ("R.O.C."). The Company was formerly known as "Polaris Futures Co., Ltd.". In order to expand its business scale and upgrade its operating efficiency, the Company merged with "Refco Taiwan Co., Ltd." on September 1, 2003 and was renamed as "Polaris Refco Futures Co., Ltd.". In the end of 2005, in the account of the changes of foreign shareholders, the Extraordinary shareholders' meeting was held on February 15, 2006, and resolved to change its name to "Polaris Man Financial Futures Co., Ltd." approved by the Ministry of Economics. On August 1, 1997, the Company following its foreign shareholders' global policy renamed as "Polaris Futures Co., Ltd. As of September 30, 2011, the Company has established five branches.

The Company is a futures dealer primarily engaging in the following business:

1. H401011 Futures commission;
2. H405011 Futures advisory enterprise;
3. H407011 Futures managerial enterprise.
4. H301011 Futures commission;
5. H310011 Securities Introduction Broker

As of September 30, 2011 and 2010, the Company had 333 and 323 employees.

II. Summary of significant accounting policies

The financial statements and the important accounting policies are presented in conformity with the Criteria Governing the Preparation of Financial Reports by Futures and accounting principles generally accepted in R.O.C.

The significant accounting policies are summarized as follows:

1. Cash and cash equivalents

   Cash and cash equivalents shall include cash in hand, demand deposit, revolving funds and short-term investment, and highly current investment that simultaneously possess the following attributes:

   (1) They can be converted into a certain amount of cash at any time.

(2) They will become due soon (normally due within three months from the day of investment) while change in the interest rate will have little influence on the value.

2. Financial instruments at fair value through profit or loss

Financial instruments at fair value through profit or loss include financial assets or liabilities held for trading and those at the time initially recognized at fair value through profit or loss. When initially recognized, financial instruments are initially measured by the fair value and transaction cost (or measured by the fair value and transaction cost incurred as expenses), and subsequently measured at fair value and changes in fair value are recognized as profit or loss in current period.

A regular way for purchase or sale of financial assets is accounted for using trade date accounting which is the date decided by the Company for purchase or sale of financial assets. Regular way for purchase or sale of financial assets is transferred within the duration of time by the regular way of market or governed regulations.

The Company's financial instruments and important accounting policies are summarized as follows:

(1) Financial assets at fair value through profit or loss - current: which consist of one of the followings:

A. Financial assets for trading.

B. Financial assets except for those that designated as hedged items in hedge accounting, which at the time of initial recognition were designated as assets to be measured at fair value through profit or loss.

The following financial instruments shall be classified as financial assets held for trading:

a. Instruments acquired primarily for the purpose of sale in the near term.

b. Assets that are part of a group of distinct financial product portfolios under comprehensive management where there is evidence that in the near term the group is in fact being managed for short-term profit.

c. Derivative financial assets, except those that are designated and effective hedging instruments.

Financial assets for trading shall be stated under their respective categories, according to trading purpose, such as securities, open-end funds, monetary market instruments held through a brokerage, call option contracts, or future trading margins-house funds.

Future trading margins–house funds refer to the guarantee deposits and premiums collected from futures dealer merchants and the spread calculated based on the market prices everyday.

Call options for futures commission merchant is the premium paid for purchasing call option contracts or futures option contracts.

(2) Financial liabilities at fair value through profit or loss - current: which consist of one of the followings:

   A. Financial liabilities for trading.

   B. Financial liabilities, except for those designated as hedged items in hedge accounting, which at the time of initial recognition were designated as assets to be measured at fair value through profit or loss.

   The following financial instruments shall be classified as financial liabilities held for trading:

   a. Liabilities incurred primarily for the purpose of repurchase in the near term.

   b. Liabilities that are part of a group of distinct financial product portfolios under comprehensive management, where there is evidence that in the near term the group is in fact being managed for short-term profit.

   c. Derivative financial liabilities except for those that are designated and effective hedging instruments.

   Put option liabilities means a futures commission merchant collects a premium by selling option contracts or futures option contracts at fair value.

(3) Financial assets or liabilities at fair value through profit of loss are measured at fair value with the changes in fair value recognized in current income. Except for that the emerging stocks are measured at cost, the publicly traded stocks are measured by the closing price on balance sheet date. The open-end funds are measured by the net assets value on balance sheet date.

(4) Financial instruments at fair value through profit or loss shall be classified by liquidity for current or non-current. Non-liquidity financial assets should be reclassified to "financial assets at fair value through profit or loss – non-current" under the category as "funds and investment"; moreover, non-liquidity financial liabilities should be reclassified to "financial liabilities at fair value through profit or loss – non-current" under the category as "long-term liabilities."

(5) Financial instruments initially recognized with those at fair value through profit or loss cannot be reclassified into other categories; the financial instruments which were not initially recognized as those at fair value through profit or loss cannot be reclassified into that category, either.

3. The allowance for bad debts of Accounts Receivables

   Before 1st Jan 2011, bad debts expense are accrued based on the past years' experience of the occurrence of actual bad debts, also based on the recoverability taking reference to the conditions of aging of AR.

After 1st Jan 2011, for each individual significant AR item, the impairment is recorded based on events or changes in circumstances that indicate the carrying amount may not be recoverable. Once determined not recoverable, a corresponding individual impairment loss shall be recorded.

For non-significant AR items for which impairment is indicated, and also for the AR items for which no impairment is indicated, they are to be grouped into categories based on similarity of credit risk, then, each category is to be determined to see if there is impairment.

4. Available-for-sale financial assets

   Regulations required otherwise, available-for-sale financial assets shall be measured at fair value, and the changes of gain or loss are recognized in shareholders' equity. Fair values for beneficiary certificates of open-end funds and publicly traded stocks are determined using the net assets value and the closing-price at the balance sheet date, respectively. Holding non-publicly trading stocks and with immaterial influence should be categorized as available-for-sale financial assets and are evaluated at cost in the end of the period.

5. Long-term investments at equity

   (1) Long-term investments at equity held directly or indirectly to the investee with the voting rights shares for more than 50%, or can be benefited from the economic activities, which has the main control of other individual financial, operational and human resource plans over the investee, and should be included in the consolidated financial statements.

   (2) Equity method should be adopted if one of the following conditions applied to the long-term investments at equity:

      A. Has the control over the investee.

      B. Holds the voting rights shares for more than 20% and has no control, however it is not limited to one has the evidence showing no significant impact to the investee.

      C. Holds the voting rights shares for less than 20% but has the significant influence to the investee.

   (3) The Company complies with accounting principles of the long-term investments at equity, and the investee's annual loss is recognized rationally according to the shareholding ratio. Cash dividends are recognized as long-term investment loss. Share dividend are noted as share number increment and not recognized as costs or investment revenue. Sale or disposal adopts the moving average method for calculating the costs and profit or loss.

   (4) Once equity is obtained or equity method is adopted for the first time, the difference between the investment costs and net value of equity are evenly amortized for 5 to 20 years. According to the revised SFAS on January 1, 2006, the investment costs should be analyzed and the portion where the investment costs exceed the fair value of recognizable net assets is recognized as goodwill. Goodwill can't be amortized but can

be tested for impairment annually. If goodwill is impaired by some specific matters or changes in environment, impairment tests should be performed. If fair value of net assets is recognized to be over the investment costs, the difference should be reduced in apportioning according to the fair value of each non-current asset, any remaining difference is recognized as extraordinary gain or loss.

Except for financial assets by non-equity evaluation, assets yet to be disposed, deferred income tax assets and prepaid pension or other pension payable, since January 1 2006, the unamortized remaining amount of former long-term investments at equity is the investment costs that exceed the net equity value; it can't be amortized following the precedent of goodwill. The difference between the original investment costs and net equity value belongs to the deferred credit, which is to be amortized according to the remaining amortization life.

(5) Overseas Investments

The Equity Method is used for the investees of which the Company owns 20% or more of the voting shares and has significant influence.

When Equity Method is used, the accounting treatment is detailed below:

A. The original investment costs: recorded using the exchange rate at which the New Taiwan Dollar was converted.

B. Gains or Losses of the investment: to be recorded via application of equity method for annual profit/loss of the investees and the application of annual weighted average of exchange rate.

C. Long term Investments at date of balance sheet are valued by the ratios of shareholding of net values (after translation of financial statements into New Taiwan Dollar) of the investees. The difference between the carrying amounts and these newly valued amounts will be recognized directly in Shareholders' Equity. If the fiscal year of a investee differs from that of the Company, the above said treatment would also apply.

D. The methods for the translation of the financial statements of the investees:

In accordance with SFAS No. 14: The Effects of Changes in Foreign Exchange Rates.

6. Held to maturity financial assets

Held to maturity financial assets are those non-derivate financial assets classified as having fixed or determinable receivable and maturity date and are willing and capable to be held till maturity date. The cost of held to maturity financial assets are valued by interest method (while the difference is minor, straight-line method is adopted) after amortization. For initially recognized, the cost includes trading costs for acquisition and issuance and recognize profit or loss after deleting, value impairment, or amortization. A regular way purchase or sale of financial assets is accounted for using trade date accounting and recognize profit or loss if applicable. If the impairment amount decreases and obviously related to consequences after impairment loss, it is reversed and classified as profit in current period. Such reversed amount should not make the book value greater than amortization cost before recognizing impairment loss.

7. Margin deposits

Margin deposits refers to the guarantee deposits and premiums collected from the futures customer and the spread calculated based on the market prices every day. Under Article 71 of the Futures Trading Law, a futures commission merchant shall not withdraw any funds from the segregated customer margin account, unless one of the following situations occurs:

(1) Instructions from the futures customer to deliver the excess margins or premiums;

(2) Payment for the futures customer of the margins/premiums due and/or settlement balance to foreign futures trading houses;

(3) Payment for the futures customer of brokerage commissions, interests, or other transaction fees payable to the futures commission merchant; or

(4) Other items being approved by the competent authorities.

Margin deposits consist of

A. Cash in bank: the balance of the margin deposit account that a futures commission merchant opens as exclusive customer margin/premium account in a banking institution, and deposits its futures customers' margins or premiums into such an exclusive account.

B. Closing balance in the clearinghouse: which is the clearing balance that a futures commission merchant with qualified clearing membership transfers its customers' margins or premiums to the clearinghouse.

C. Closing balance in other qualified futures commission merchants: the clearing balance that a futures commission merchant without qualified clearing membership transfers its customers' margins or premiums to qualified futures commission merchants.

8. Fixed assets

Fixed assets are stated at cost. The major improvement, renewal and addition, which can prolong the service life of fixed assets, are counted as capital expenditures and recorded as fixed assets. Expenditures on regular repairs and maintenance are recorded as expenses.

Fixed assets are depreciated according to the service life set forth in the "Fixed Asset Service Life Span" promulgated by the Executive Yuan (the Cabinet), using the average method with one-year residual value. Renewal and addition are depreciated according to the fixed assets' service life. Major improvement is depreciated based on the remaining service lives of fixed assets. While assets are continually in use after the expiration of its service lives, the residual values and service lives are estimated and depreciated accordingly and continually. The gain (loss) on disposal of fixed assets is recognized as non-operating revenue (expenditure) in the same period of sale or disposal.

9. Other intangible assets

   Intangible assets are stated in cost basis and adopted straight-line method for amortization. The cost of computer software is amortized by using the three-year or five-year straight-line method.

10. Operations guarantee deposits

    Under Article 14 of Rules Governing Futures Commission Merchants, a futures broker shall, after completing incorporation registration, lodge NT$50 million in a financial institution designated by the competent authority. An additional amount of NT$10 million shall be lodged for each branch established. The Company has so far set up five branches. Under the same article, a futures proprietary merchant shall lodge additional NT$10 million in the same financial institution. Besides, under Article 11 of Rules Governing Futures Consultation Enterprise, the Company shall lodge NT$10 million for operating futures consultation to the financial institution mention above. Also, under Article 11 of Rules Governing Futures Managerial Enterprise, the Company shall lodge NT$25 million for operating futures managerial; moreover, under article of Securities and Exchange Law, a securities firm shall deposit NT$10 million to the finance institution and confirming to Regulations Governing, the Operation of Futures Introducing Broker Business by Securities Firms. Under Article 21 of Regulations Governing the Operation of Securities Introducing Broker Business by Futures Commission Merchants, the operation bond to be deposited by a futures introducing broker under the preceding paragraph shall be NT$10 million; the operation bond for each branch office is NT$5 million.

11. Clearing and settlement funds

    Under Article 4, Paragraph 3 of Taiwan Futures Exchange Corporation Criteria for Clearing Membership, before carrying out clearing and settlement operations, the clearing member shall make a deposit to the clearing and settlement fund equal to 20% of its paid-in capital or designated operating funds, but of an amount no more than NT$40 million. After carrying out clearing and settlement operations, the clearing member shall make deposits to the clearing and settlement fund by the method and in the amount prescribed by the Taiwan Futures Exchange Corporation constantly. Under the same regulation, each time the clearing member consigns an introducing broker or each time such an introducing broker establishes an additional branch, the clearing member shall make an additional clearing and settlement fund deposit of NT$1 million with the Taiwan Futures Exchange Corporation.

12. Futures traders' equity

    Futures traders' equity is the trading deposits/premiums deposited by customers and the difference of close-market balance every day. It can't be cancelled except for the same customer with the same category of accounts. If payable to customer does occur, it should be classified as futures trading deposit receivable and regain from the customer.

13. Reserve for breach of contact losses

Before January 1st 2011, under Rules Governing Futures Commission Merchants, as the Company engages in futures brokerage business, the Company shall set aside 2% of the futures brokerage commission income as reserve for breach of contract losses monthly. The reserve shall not be used except for the purpose of covering the losses arising from customers' futures trading or for the purposes approved by the competent authority. When the accumulated reserve for breach of contract losses reaches either the amount of minimum paid-in capital, or operation funds, or working capital required by law, no additional reserve for breach of contract losses is required to be set aside.

After January 1st 2011, under a directive (with issuance number:10000002891) issued by the directive Financial Supervisory Commission, Executive Yuan, both reserve for trading losses and reserve for breach of contract losses shall be transferred to a special reserve, (concurrently with the amendment of Rules Governing Futures Commission Merchants). The special reserve shall not be used for purposes other than covering the losses of the Company or, when the special reserve reaches 50% of the amount of paid-in capital, half of it may be capitalized.

14. Reserve for trading losses

Before January 1st 2011, under Rules Governing Futures Commission Merchants, as Company engages in futures dealer business shall, on a monthly basis, the Company shall set aside 10% from the realized net profit as the reserve for trading losses. The reserve for trading losses shall not be used for purposes other than covering the trading loss amount in excess of the trading profit amount. When the accumulated trading loss reserve reaches NT$200 million, no additional reserve for trading losses is required to be set aside.

After January 1st 2011, under a directive (with issuance number:10000002891) issued by the directive Financial Supervisory Commission, Executive Yuan, both reserve for trading losses and reserve for breach of contract losses shall be transferred to a special reserve, (concurrently with the amendment of Rules Governing Futures Commission Merchants). The special reserve shall not be used for purposes other than covering the losses of the Company or, when the special reserve reaches 50% of the amount of paid-in capital, half of it may be capitalized.

15. Pension

The Company complies with SFAS No.18 "Accounting for pensions" to conduct the actuarial calculation. The portion of accumulated obligation payment exceeds fair value of pension fund assets, the Company states it as minimum pension liability in statement of balance sheet. The Company commenced to recognize the pension cost effective from January 1, 1999. Since October 1998, the Company has made monthly contributions as 2% of salaries to a pension fund in accordance with the Labor Law and deposit to Bank of Taiwan.

Labor Pension Act has been enforced on July 1, 2005 and applied the defined-contribution scheme. Upon enforcement of the Act, employees may choose to apply the retirement plan referred to in the "Labor Standard Law", or to apply the pension system referred to in the Act and retain the seniority record. To the applicable employees, the Company shall make monthly contributions to the employees' individual pension accounts on a basis of no less than 6% of the employees' monthly wages.

16. Reserve for bad debts losses

According to the related regulations prescribed by the competent authority, futures commission merchants shall make appropriate provisions, within 4 years started July 1, 1999 for bad debt at 3% of sales turnover of the principal lines on a monthly basis. In the event of no bad debt available for offset in a month, the sum shall be converted into "reserve for loss in bad debts" at the end of the month. The Company has not needed to appropriate allowance for bad debts since July 1, 2003.

In case of debit balance occurred by Futures traders' equity (i.e., Futures traders' equity appear to be negative, with excessive loss), it shall be entered as "receivables from deposits with other futures brokers" and the reserve for bad debts shall be amortized in full. In the event a futures trader defaults and the company completes the procedures required under "Guidelines for Futures commission Merchants in Reporting Default by Principals", the allowance shall be taken to directly offset the reserve for bad debts after the case is referred to the board of directors and informed to the supervisors. In the event the offset dead credit is retrieved after being entered as loss, the retrieved amount shall be entered as gain in the year of retrieval.

17. Income tax

In accordance with SFAS No.22 "Accounting for income tax" for inter-period and intra-period allocation for its income tax. The effect of income tax from taxable temperate difference is classified as deferred income tax liability and the income from deductible temperate difference, allowance for losses, and deduction for income tax are classified as deferred income tax assets. After analyzing the feasibility of income tax assets, recognize the allowance for reserve amount.

The Company applies an inter-period allocation for its income tax whereby deferred income tax assets and liabilities are recognized for the tax effects of temporary differences and unused tax credits. Valuation allowances are provided to the extent, if any, that it is more likely than not that deferred income tax assets will not be realized. A deferred tax asset or liability is classified as current or noncurrent in accordance with the classification of its related asset or liability. However, if a deferred tax asset or liability does not relate to an asset or liability in the financial statements, then it is classified as either current or noncurrent based on the expected length of time before it is realized or settled.

Adjustments of prior years' tax liabilities are added to or deducted from the current period's tax provision.

Income tax on unappropriated earnings at a rate of 10% is expensed in the year of shareholder approval which is the year subsequent to the year the earnings are generated.

The R.O.C. government enacted the Alternative Minimum Tax Act (AMT Act), which became effective on January 1, 2006. The alternative minimum tax (AMT) imposed under the AMT Act is a supplemental tax levied at a rate of 10% which is payable if the income tax payable determined pursuant to the Income Tax Law is below the minimum amount prescribed under the AMT Act. The taxable income for calculating the AMT includes most of the tax-exempt income under various laws and statutes. The Company has considered the impact of the AMT Act in the determination of its tax liabilities.

18. Revenue, cost, and expense

Revenue is recognized when it is realized or realizable and earned; the relevant costs match with the revenue and recognized as occurred. Expense accounted by accrual basis shall be recognized as expense in the current period when it occurs.

19. Accounting estimates

Preparing the Company's financial statements in conformity with the R.O.C. generally accepted accounting principles requires the management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and reported amount of revenues and expenses during the reporting period. Difference may occur between the actual results and estimates.

20. Distinguish between current and non-current assets and liabilities

The Company only engages in futures business. Assets or liabilities are expected to be converted into cash or to be repaid within 12-month operating period are classified as current and the others are non-current.

21. Earning per common share

The calculation of earning per common share was based on the weighted-average number of the Company's common shares outstanding during the applicable periods. The shares increased by unallocated earnings or capital reserve are calculated through retroactive adjustment.

22. Impairment of assets

The Company adopted SFAS No.35 "Accounting for Asset Impairment". According to SFAS No.35, the Company assesses at each balance sheet date whether there is any indications that an asset (individual asset or cash generation units) other than goodwill may have been impaired and estimate its recoverable amount. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount of the asset should be reduced to its recoverable amount, and the reduction should be recognized as impairment loss.

The accumulated impairment loss of an asset (other than goodwill) recognized in prior years should be reversed if, subsequently, it may no longer exist or may have decreased. The carrying amount of an asset (other than goodwill)after the reversal of impairment loss should not exceed the carrying amount that would have been determined net of depreciation or amortization had no impairment loss been recognized for the asset in the prior year.

If the recoverable value of the unit where the goodwill belongs to is less than the carrying value of the unit, on an annual test basis, the Company shall recognize an impairment loss.

23. Bonus paid to employees, directors and supervisors

According to ARDF Interpretation 2007-052, "Accounting for Bonuses to Employees, Directors and Supervisors", possesses with the lawful and uncertain obligations and the amounts are reasonably estimated, that the item should be classified as expense and liability. Also the item should be classified as operating cost and expense. If a difference occurs between the shareholders resolution and financial report, it will be classified as estimated changes and recognized and will be the current period or losses.

24. Foreign currency transactions and translations of foreign currency financial statements

The translation of the financial statements of all foreign operation and overseas subsidiaries is as follows: assets and liabilities are translated at the current exchange rate prevailing at the balance sheet date. Shareholders' equity is translated at the historical rate with exception of the beginning retained earnings, which are brought forward. Dividends are translated at the exchange rate prevailing at the declaration date. Income statements accounts are translated at the weighted average exchange rate for the year. The foreign currency translation from Exchange differences arising from the translation of the financial statements of foreign operations are recognized as a separate component of shareholders' equity. Such exchange differences are recognized in profit or loss in the year in which the foreign operations are disposed of.

Non-derivative foreign-currency transactions are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

At the balance sheet date, foreign-currency nonmonetary assets (such as equity instruments) and liabilities that are measured at fair value are revalued using prevailing exchange rates, with the exchange differences treated as follows:

a. Recognized in shareholders' equity if the changes in fair value are recognized in shareholders' equity;
b. Recognized in profit and loss if the changes in fair value is recognized in profit or loss.

Foreign-currency nonmonetary assets and liabilities that are carried at cost continue to be stated at exchange rates at trade dates.

If the functional currency of an equity-method investee is a foreign currency, translation adjustments will result from the translation of the investee's financial statements into the reporting currency of the Company. Such adjustments are accumulated and reported as a separate component of shareholders' equity.

The spot rate on the date of the Balance Sheet is used above.

25. Operating segments

An operating segment is a component of an entity:

(1) That engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity),

(2) Whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance.

(3) The discrete financial information is available.

The Company decided that the operating segments would only be disclosed in consolidated financial statements.

III. Accounting changes:

1. From January 1st, 2011, the Company and its subsidiaries has remeasured the existing lendings and receivables in accordance with and by adoption of the third version of SFAS No. 34, "Financial Instruments: Recognition and Measurement". The changes of the accounting principles causes no effect on financial statements of the Company as of January 1st 2011.

2. From January 1st 2011, the disclosure of operating segments of SFAS No. 41, "Operating segments" in replacement of SFAS No. 20, "Segment Reporting".

IV. Explanations on major accounts

1. Cash and cash equivalents

Items	Sep. 30, 2011	Sep. 30, 2010
Cash	$ 200	$ 200
Checking account deposit	399	30
Demand deposit	234,816	225,973
Term deposit	1,575,600	1,612,800
Foreign currency deposit	84,562	61,427
Total	$ 1,895,577	$ 1,900,430

Note: The aforementioned items have been free of any restriction in disbursement.

2. Financial assets at fair value through profit or loss – current

Items	Sep. 30, 2011	Sep. 30, 2010
Financial assets held for trading		
Securities	$ -	$ 17,254
Call option contracts	88,087	24,500
Future trading margins – house funds	828,684	690,424
Total	$ 916,771	$ 732,178

(1) Future trading margins-house funds were the operating fund of futures trading business.

(2) The above financial assets were provided to be free of any pledges or collateral.

3. Margin deposits

Items	Sep. 30, 2011	Sep. 30, 2010
Customer margin deposit – cash in banks	$ 16,375,327	$ 14,909,155
Customer margin deposit – clearinghouse	1,835,801	1,647,115
Customer margin deposit – other FCMs	826,462	756,713
Total	$ 19,037,590	$ 17,312,983

Differences between margin deposits and futures traders' equity are described as follows:

Items	Sep. 30, 2011	Sep. 30, 2010
Balance of margin deposits	$ 19,037,590	$ 17,312,983
Minus:		
Accrued service charge and interest income	(9,878)	(10,663)
Futures trading tax	(1,855)	(1,329)
Incorrect deposits from customers	(4,435)	(3,072)
Total	$ 19,021,422	$ 17,297,919

4. Funds and long-term investments

(1) Available for sale financial assets-non-current

Investees	Sep. 30, 2011			Sep. 30, 2010		
	Shares (thousands)	Amount	% of shareholding	Shares (thousands)	Amount	% of shareholding
Taiwan Futures Exchange Corporation	4,621	$35,502	1.70%	4,544	$35,502	1.70%

Note: The Company has no material influences on Taiwan Futures Exchange Corporation which is not a listed company and the carrying amount of the assets is valued at cost in the end of the period.

(2) Long-term investments at equity

Investees	Sep. 30, 2011			Sep. 30, 2010		
	Shares (thousands)	Amount	% of shareholding	Shares (thousands)	Amount	% of shareholding
MF Global Futures Trust Co., Ltd.	9,999	$81,110	33.33%	9,999	$87,030	33.33%
Polaris Futures (HK) Co., Limited.	6,000	183,226	100.00%	-	-	-
		$264,336			$87,030	

(3) Investment income (loss) for equity investments accounted for under the equity method for the nine months ended September 30, 2011 and 2010 were as follows;

Investees	For the nine months ended 2011	2010
MF Global Futures Trust Co, Ltd.	($ 4,782)	($ 8,342)
Polaris Futures (HK) Co., Ltd.	(140)	-
Total	($ 4,922)	($ 8,342)

Note : Profits/Losses in Investments are recognized by the audit/review reports issued by other auditors.

(4) Adjustments of cumulative translation adjustments form equity investments accounted for under the equity method for the nine months end September 30, 2011 and 2010 were as follows:

Investees	For the nine months ended 2011	2010
Polaris Futures (HK) Co., Ltd.	($ 9,954)	$ -

(5) Polaris Futures Trust Co., Ltd

The Company has a new investment of 9,999 thousand shares of MF Global Futures Trust Co., Ltd. and holds 33,33% in May, 2009,therefore adopts the equity method for evaluation.

(6) In January 2011, the Company made a new investment which is the setting up of the new subsidiary called 'POLARIS FUTURES (HK) CO., LIMITED' in Hong Kong. This new investment has been approval by Financial Supervisory Commission, Executive Yuan, with approval number 0990055943 issued to us. The Company owns 100% of the shares of the new investment and uses Equity Method to account for it.

(7) The aforementioned items have been free of any restriction in disbursement.

(8) The consolidated financial statements has accounted for investees that the Company has control over. Please refer to the Review report on consolidated financial statements issued by the CPAs.

5. Fixed assets

(1) As of September 30, 2011

Items		Cost	Accumulated depreciation		Balance
Computer communication equipment	$	250,579	196,418		54,161
Office equipment		26,040	15,775		10,265
Transportation equipment		7,832	5,287		2,545
Leasehold improvement		73,624	47,507		26,117
Prepayment for equipment		11,694	-		11,694
Total	$	369,769	$ 264,987	$	104,782

(2) As of September 30, 2010

Items		Cost		Accumulated depreciation		Balance
Computer communication equipment	$	225,212	$	174,117	$	51,095
Office equipment		23,066		13,153		9,913
Transportation equipment		5,799		4,658		1,141
Leasehold improvement		67,550		42,671		24,879
Prepayment for equipment		25,330		-		25,330
Total	$	346,957	$	234,599	$	112,358

(3) Insurance

Insured target		Sep. 30, 2011		Sep. 30, 2010	Note
Computer and office equipment	$	236,370	$	227,510	Fire insurance (including comprehensive insurance)
Leasehold improvement		72,600		63,570	Fire insurance (including comprehensive insurance)
Total	$	308,970	$	291,080	

A. The comprehensive insurances for the first nine months of 2011 and 2010 consisted of explosion insurance, earthquake insurance, flood insurance and suspended operation insurance, smoke insurance, automatic fire-fighting equipment leakage insurance and strike, riot, civil disturbance and intentional deterioration insurances.

B. The Company is covered by the public accidental liability insurance as of the first nine months of 2011 and 2010.

6. Other assets

Items		Sep. 30, 2011		Sep. 30, 2010
Operations guarantee deposits	$	185,000	$	185,000
Clearing and settlement funds		186,000		211,000
Refundable deposits		9,280		8,127
Deferred income tax assets – non-current		14,507		54,061
Total	$	394,787	$	458,188

7. Other payables

Items	Sep. 30, 2011	Sep. 30, 2010
Salary payable	$ 14,130	$ 12,718
Bonus payable	113,111	102,376
Interest payable	15,200	15,518
Bonus to Directors and Supervisors Payable	259	300
Employee bonus Payable	48,972	19,619
Labor and health insurance payable	4,107	3,847
Professional fees payable	2,460	7,272
Marketing expenses payable	4,000	7,400
Other expenses payable	11,068	22,984
Pension payable	2,266	2,064
Income tax payable	3,514	-
Other payables	4,353	3,010
Total	$ 223,440	$ 197,108

8. Accrued pension liabilities

(1) The Company has recognized the pensions cost in accordance with the SFAS No.18 "Accounting for Pensions" since January 1, 1999. The Company recognized pension cost of $2,306 and $2,126 for the first nine months of the years 2011 and 2010, respectively. As of September 30, 2011 and 2010, the balance of pension account in Central Trust of China were $16,365 and $16,323, respectively.

(2) Labor Pension Act (the "Act") has been enforced as of July 1, 2005 and adopts the defined-contribution scheme. The net pension cost contributed and recognized by the Company according to the Act for the nine months ended September 30, 2011 and 2010 were $9,482 and $8,904, respectively.

9. Capital

Date	Registered capital	Paid-in capital	Par value	Remarks
Apr. 9, 1997	$200,000	$200,000	$10	Initial capital upon founding
Feb. 9, 1998	500,000	500,000	10	Capital increased in cash 30,000,000 shares
May 27, 1998	600,000	600,000	10	Capital increased in cash 10,000,000 shares
Jul. 22, 1999	615,000	615,000	10	Capital increased in cash 1,500,000 shares
Aug. 26, 2000	630,000	630,000	10	Capital increased in cash 1,500,000 shares
Sep. 1, 2003	1,095,800	1,095,800	10	Capital increased 46,580,000 shares due to business merger
Nov. 19, 2003	645,000	645,000	10	Retirement of stock capital 45,080,000 shares
Aug. 31, 2005	722,400	722,400	10	Earnings converted for capital increase by 7,740,000 shares
Sep. 11, 2007	801,864	801,864	10	Earnings converted for capital increase by 7,946,000 shares
Oct. 5, 2007	974,826	974,826	10	Capitalization of employee bonus and earnings 17,296,000 shares
Nov. 27, 2007	1,096,726	1,096,726	10	Capital increase in cash 12,190,000 shares
Jul. 30, 2008	1,312,763	1,312,763	10	Capitalization of employee bonus and earnings 21,604,000 shares

10. Special reserve

Under Article 18 of Rules Governing Futures Commission Merchants issued by FSC of the Financial Supervisory Commission, Executive Yuan, the futures commission merchants shall set aside an amount equal to 20% of its after-tax net income as special reserve, provided that this shall not be required if the accumulated amount reaches the paid-in capital amount. The special reserve shall not be used for purposes other than covering the losses of the Company or, when the special reserve reaches 50% of the amount of paid-in capital, half of it may be capitalized.

11. Distribution of unappropriated earnings

(1) According to the Company's Articles of Incorporation, the after-tax net income shall first be used to offset the accumulated deficits, then 10% is set aside as a legal reserve and 20% is set aside as a special reserve, the remaining amount after deducting the above from the current year's earnings with the prior year's unappropriated earnings shall be distributed in the following order：

A. Set aside 0.1%~2% as directors' and supervisors' remuneration.

B. Set aside 0.1%~10% as employees' bonus.

C. The remaining balance shall be distributed as dividends to shareholders.

(2) The policy of the Company's dividend distribution, is to maintain the long-term financial planning and continuous development and steady operation growth as to maximize the profit of shareholders, complies with：

A. As least 50% of current year's unappropriated earnings shall be distributed as shareholders' dividends annually.

B. Dividends are distributed based on the current year's profitability and the future needs of the Company. This principle is applied for the stability of the Company's operations and financing requirements. At least 30% of the dividend distributed must be in the form of cash.

(3) The employee bonus and directors and supervisors payable for first nine months of 2011 and 2010 is estimated based on the Company's Articles of Incorporation, past experience, and current period earning. The accrual payable for first nine months of 2011 and 2010 were $26,159 and $19,919, respectively.

If the board modified the estimates significantly in the subsequent periods during the year, the company will recognize the change as an adjustment to current expense. Moreover, if the amounts were modified by the shareholders' resolution, the adjustment will be regarded as a change of accounting estimate and will be reflected in the statement in the resolution year.

(4) After the imputation system enforced in 1998, the Company's undistributed earnings is subject to additional 10% income tax. There will be no more levy imposed if the earnings remain undistributed in subsequent years.

(5) The retained earnings distributed as employees' bonus and directors' bonus are disclosed as the following:

	Policy of Earnings Distribution (in thousand dollars)	Dividends per Share (in dollar)
Legal reserve	$ 29,744	$ -
Special reserve	59,489	-
Cash dividend	207,417	1.58
Employee bonus – cash dividend	23,072	-
Bonus to directors and supervisors	231	-

As for the detail of proposed distribution, refer to market Observation Post System of Taiwan Stock Exchange.

12. Income tax

(1) The income tax of the Company was approved by the NTA up to the year 2009.

(2) The Company already filed its corporate income tax return for the years 2010 on time which is under reviewed by the NTA.

(3) Estimated income tax for the first nine months of 2011 and 2010:

	Sep. 30, 2011	Sep. 30, 2010
Net profit before tax, at tax rate according to income tax law, ROC	$ 76,820	$ 47,342
Permanent differences:		
Investment loss recognized under equity method	837	1,418
Exemption of cash dividends	(2960)	(777)
Valuation loss on financial assets	-	16
Loss on Securities transaction exempted from tax under Article 4-1 of Income Tax Law, ROC	1,893	157
Gain on futures transaction exempted from tax under Article 4-2 of Income Tax Law, ROC	(20,202)	(5,908)
Loss on futures transaction which is unrealized in the prior year and closed in current year	(468)	477)
Gain (loss) on option contracts which is unrealized in the prior year and closed in current year	(227)	699
Loss (gain) on uncleared futures trading in current period	451	(296)
Loss (gain) on uncleared options trading in current period	(2,238)	526
Adjustment complied with tax regulations	6	(1,870)
Income tax expenses in current period	53,912	40,830
Adjustment for prior income tax expenses	-	8,886
Additional 10% of unappropriated retained earnings	79	-
Adjustment of income tax for prior period	1,737	8,451
Income tax expenses	55,728	58,167
Adjustment of temporary differences:		
Unrealized loss on foreign exchange in prior period realized in current period	(4,616)	(3,148)
Unrealized loss (gain) on foreign exchange in current period	(282)	2,596
Unrealized trading losses	-	5,383
Unrealized breach of contract losses	-	1,263
Difference in pension cost and appropriation	253	211
Adjustment of prior income tax	(5,418)	(2,952)
Adjustment of tax rate change	(-	(8,886)
Prepaid income tax	(42,151)	(54,755)
Income tax payable (returnable) (Note)	(3,514	($ 2,121)

(4) Effect of deferred income tax

A. Deferred income tax assets and liabilities were as follows:

	Sep. 30, 2011	Sep. 30, 2010
(A) Total deferred income tax assets	$ 14,508	$ 56,657
(B) Total deferred income tax liabilities	(282)	-
(C) Temporary differences (tax) arising from deferred income tax assets or liabilities		
• Deductible provisional difference incurred by recognition of unrealized gains in foreign exchange	1	2,596
• Unrealized gain on foreign exchange in current period	(282)	-
• Deductible provisional difference incurred by recognition of unrealized loss in trading	-	5,880
• Deductible provisional differences incurred by recognition of unrealized losses on breach of contract	-	34,000
• Deductible provisional differences incurred by recognition of unrealized bad debts losses	10,506	10,506
• Deductible provisional difference incurred by recognition of pension cost under ROC SFAS No.18	4,001	3,675

B. Net deferred income tax asset (liability)

Items	Sep. 30, 2011		Sep. 30, 2010	
	Liquid	Nonliquid	Liquid	Nonliquid
Deferred income tax assets	$ 1	$ 14,507	$ 2,596	$ 54,061
Deferred income tax liabilities	(282)	-	-	-
Net deferred income tax assets (liability)	($ 281)	$ 14,507	$ 2,596	$ 54,061

(5) Information related to imputation credit account ("ICA")

Items	Sep. 30, 2011	Sep. 30, 2010
Expected (actual) available ICA	$ 87,507	$ 86,045
Expected (actual) ratio of ICA	20.51%	20.49%

(6) Information of unappropriated retained earnings:

	Sep. 30, 2011	Sep. 30, 2010
Before 1997	$ 21	$ 21
After 1998	397,105	220,530
Expected (actual) ratio of ICA	$ 397,126	$ 220,551

13. Earnings per share

	Sep. 30, 2011	Sep. 30, 2010
Net income after tax	$ 396,156	$ 220,375
Outstanding (thousand shares) – retroactive upon adjustment	131,276	131,276
Weighted-average number of common shares (thousand shares)	131,276	131,276
EPS (in dollars) – retroactive upon adjustment	$ 3.02	$ 1.68

14. Expenses relating to employment, depreciation, and amortization for the nine months ended September 30, 2011 and 2010 disclosed by function were as follow:

Function / Character	Sep. 30, 2011			Sep. 30, 2010		
	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employment						
Payroll	$ -	$ 281,154	$ 281,154	$ -	$ 241,470	$ 241,470
Labor and health insurance	-	14,859	14,859	-	13,406	13,406
Pension fund	-	11,788	11,788	-	11,030	11,030
Others	-	7,135	7,135	-	5,713	5,713
Depreciation	-	27,090	27,090	-	27,098	27,098
Amortization	-	3,133	3,133	-	2,443	2,443

15. The Information for foreign-currency financial assets and liabilities of great significance to the company is shown below:

(in thousand)

	2011. 9. 30.			2010. 9. 30.		
	Foreign currency	exchange rate	NT	Foreign currency	exchange rate	NT
Financial Assets						
USD	$ 248,515	30.5620	$ 7,595,120	$ 272,657	31.2510	$8,520,812
JPY	231,290	0.3992	92,331	542,008	0.3742	202,820
HKD	88,877	3.9227	348,638	48,149	4.0274	193,914
EUR	2,137	41.4254	88,538	11,890	42.4730	504,956
GBP	668	47.7027	31,865	445	49.5319	22,024
AUD	1,516	29.9064	45,324	2,547	30.2139	76,956
SGD	36	23.5800	841	8	23.7205	193
Financial Liabilities						
USD	239,496	30.5620	7,319,464	266,659	31.2510	8,333,351
JPY	107,907	0.3992	43,084	263,983	0.3742	98,788
HKD	76,726	3.9227	300,973	38,286	4.0274	154,193
EUR	1,346	41.4254	55,777	10,784	42.4730	457,987
GBP	230	47.7033	10,949	173	49.5319	8,547
AUD	1,500	29.9064	44,855	2,532	30.2139	76,511
SGD	20	23.5800	475	8	23.7205	190

V. Transactions with related parties

1. Names and relationships of related parties

Names of related parties	Relationship with the Company
Polaris Securities Co., Ltd.	The Company's parent company
Apex International Financial Engineering Res. & Tech. Co., Ltd.	Substantial related party
Polaris International Investment Trust Co., Ltd.-Small Medium Cap Fund	Substantial related party
Polaris International Investment Trust Co., Ltd.-Top 50 Tracker Fund	Substantial related party
Polaris International Investment Trust Co., Ltd.-TSE Capitalization weighted stock Index Fund	Substantial related party
Polaris International Investment Trust Co., Ltd.-Polaris Russell Greater China L/C Valdx	Substantial related party
Polaris International Investment Trust Co., Ltd.-Polaris P- shares Taiwan Gre Tai SO ETF	Substantial related party
Polaris International Investment Trust Co., Ltd.-Polaris/P-shares MSCI India Index Fund.	Substantial related party
Polaris International Investment Trust Co., Ltd.-Polaris Gold Futures trust Fund.	Substantial related party
Polaris International Investment Trust Co., Ltd.-Polaris Taiwan Equity Fund.	Substantial related party
MF GLOBAL UK LIMITED (MF GLOBAL UK)	Substantial related party
MF GLOBAL HONG KONG LIMITED (MF GLOBAL HONG KONG)	Substantial related party
MF Global Futures Trust Co.,Ltd.-MF Multi-Income Future Trust Fund	Substantial related party
MF Global Futures Trust Co.,Ltd. (MF Global Futures Trust)	The Company's parent company
MF Global Singapore Pte. Limited Taiwan Branch	Substantial related party
Polaris-Propime Securities Investment Advisor Co., Ltd.	Substantial related party
Yoing Investment Co., Ltd.	Substantial related party
Ho, Ming – Yu	Substantial related party
Ho, Ming – Hong	The Company's parent company
Pai, Chieh –Yu	The Company's parent company

2. Transactions with the related parties

(1) Brokerage Revenue

	Sep. 30, 2011		Sep. 30, 2010	
Name of related party	Amount	In %	Amount	In %
Net deferred income tax assets	$ 8,407	0.76%	$ 16,385	1.54%

There is no significant difference between related parties and non-related parties on brokerage.

(2) Futures introducing broker commissions and re-consigned foreign futures trading commissions paid by the Company to related parties as follows:

Name of related party	Sep. 30, 2011 Amount	Sep. 30, 2011 In %	Sep. 30, 2010 Amount	Sep. 30, 2010 In %
Polaris Securities Co., Ltd.	$ 140,922	48.31%	$ 127,784	42.71%
MF Global Singapore Pte Ltd. Taiwan Branch	100,289	34.38%	102,492	34.25%
Total	$ 241,211	82.69%	$ 230,276	76.96%

There is no significant difference between related parties and non-related parties on futures broker commissions and re-consigned foreign futures trading commissions paid by the Company.

(3) Error account revenues received by the Company from related parties as follows:

Name of related party	Sep. 30, 2011 Amount	Sep. 30, 2011 In %	Sep. 30, 2010 Amount	Sep. 30, 2010 In %
Polaris Securities Co., Ltd.	$ -	-	$ 5	1.06%

(4) Trading of assets: Nil.

(5) Leasehold properties:

Lessor	Premises in leasehold	Deposit	Rent expense Sep. 30, 2011	Rent expense Sep. 30, 2010
Polaris Securities Co., Ltd.	5F-1, 151, Chongcheng 4th Rd., Kaohsiung	$ 150	$ 403	$ 359
	B1, 69, Sec.2, Dun-Hua S. Rd., Taipei (parking included)	100	522	530
	10F, 65, 67, 71, and 69, Sec.2, Dun-Hua S. Rd., Taipei (parking included)	3,270	10,139	10,136
	Total	$ 3,520	$ 11,064	$ 11,025

Lease between the Company and associated parties, rentals have been set at general market rates and paid on a monthly basis. The transaction condition makes no difference for third parties.

(6) Credits and liabilities:

Items	Name of related party	Sep. 30, 2011 Amount	Sep. 30, 2011 In %	Sep. 30, 2010 Amount	Sep. 30, 2010 In %
Margin deposits - USD	MF Global Singapore Pte Ltd. Taiwan Branch	$ 702,219	3.69%	$ 505,665	2.92%
Margin deposits – JPY	MF Global Singapore Pte Ltd. Taiwan Branch	25,113	0.13%	76,976	0.44%
Margin deposits – GBP	MF Global Singapore Pte Ltd. Taiwan Branch	7,562	0.04%	7,198	0.04%
Margin deposits – EUR	MF Global Singapore Pte Ltd. Taiwan Branch	27,975	0.15%	59,893	0.34%
Margin deposits – HKD	MF Global Singapore Pte Ltd. Taiwan Branch	30,977	0.16%	75,042	0.43%
Margin deposits – AUD	MF Global Singapore Pte Ltd. Taiwan Branch	-	-	229	0.01%
Margin deposits – SGD	MF Global Singapore Pte Ltd. Taiwan Branch	390	-	182	0.01%
Total		$ 794,236	4.17%	$ 725,185	4.19%
Futures trading margins – house funds - USD	MF Global Singapore Pte Ltd. Taiwan Branch	$ 216,795	26.16%	$ 127,068	18.40%
Futures trading margins – house funds – JPY	MF Global Singapore Pte Ltd. Taiwan Branch	10,893	1.31%	20,934	3.03%
Futures trading margins – house funds – HKD	MF Global Singapore Pte Ltd. Taiwan Branch	27,135	3.27%	29,080	4.21%
Futures trading margins – house funds – GBP	MF Global Singapore Pte Ltd. Taiwan Branch	9,325	1.13%	7,607	1.10%
Futures trading margins – house funds – EUR	MF Global Singapore Pte Ltd. Taiwan Branch	26,160	3.16%	33,346	4.83%
Total		$ 290,308	35.03%	$ 218,035	31.57%
Accounts receivable	Polaris Securities Co., Ltd.	$ 477	5.51%	$ 218	2.49%
	MF Multi-Income Future Trust Fund	12	0.14%	-	-
	MF Global Futures Trust Co., Ltd.	99	1.14%	2,156	24.70%
Total		$ 588	6.79%	$ 2,374	27.19%
Futures traders' equity	Apex International Financial	8,833	0.05%	-	-
	Polaris Securities Co., Ltd.	394,561	2.08%	189,107	1.09%
	Small Medium Cap Fund	14,275	0.08%	876	0.01%
	Top 50 Tracker Fund	255,064	1.34%	65,195	0.38%
	Ho, Ming-Heng	15	-	-	-
	Ho, Ming-Yu	217,275	1.14%	297,316	1.72%
	Yoing Investment Co., Ltd.	4,046	0.02%	8,475	0.05%
	MF Global UK	138	-	261,517	1.51%
	MF Global Hong Kong	13,656	0.07%	25,369	0.14%
	MF GLOBAL Inc. Foreign Customer Secured	6,112	0.03%	-	-
	Polaris Russell Greater China L/C Valldx	7,562	0.04%	10,046	0.06%
	Polaris/P-shares MSCI India Index Fund	10,332	0.05%-	-	-
	Polaris Taiwan equity Fund	10,583	0.06%	-	-
	Polaris Gold Futures Trust Fund	72,312	0.38%	-	-
	Polaris/p-shares Taiwan Gre Tai 50 ETF	11,774	0.06%	-	-
	Ho Xi-Jing	525	-	-	-
	Pai Che-Yu	1	-	-	-
	Wei Ming-Chun	7	-	-	-
	MF Multi-Income Futures Trust Fund	206,627	1.09%	500,083	2.89%
Total		$1,233,698	6.49%	$1,357,984	7.85%
Accounts payables	Polaris Securities Co., Ltd.	$ 15,390	16.46%	$ 12,792	24.24%
	MF Global Singapore Pte Ltd. Taiwan Branch	247	0.26%	183	0.35%
Total		$ 15,637	16.72%	$ 12,975	24.59%
Other payables	Polaris Securities Co., Ltd.	$ 720	0.31%	$ 720	0.37%
Notes payables	Polaris Securities Co., Ltd.	$ -	-	$ 1,126	100.00%

(7) Others

A. The handling fees paid by the Company for placing the order by the house trading department with Polaris Securities Co., Ltd. in the first nine months of 2011 and 2010 were $54 and $148, respectively. The transaction condition makes no different for third parties.

B. Others

Items	Name of related party	Sep. 30, 2011 Amount	Sep. 30, 2011 In %	Sep. 30, 2010 Amount	Sep. 30, 2010 In %
Computing information fee	Apex International Financial	$ 400	0.90%	$ 428	1.31%
	Polaris Securities Co., Ltd.	137	-	-	-
Advertisement	Apex International Financial	-	-	100	4.78%
Repair & maintenance	Apex International Financial	-	-	80	1.21%
Interest Expense	MF Multi-income Future Trust Fund	1,212	16.81%	92	36.20%
	Polaris Securities Co., Ltd.	96	0.01%	-	-
Interest income	MF Global Singapore Pte Ltd Taiwan Branch	386	0.29%	349	0.29%
	Polaris Securities Co., Ltd.	2	-	21	-
Professional fee	Polaris Securities Co., Ltd.	450	6.32%	415	14.61%
Office equipment	Apex International Financial	250	0.96%	-	-
Miscellaneous	Apex International Financial	270	18.27%	-	-
Other Operating revenues	MF Global Futures Trust	1,597	27.52%	2,156	15.70%
	MF Multi-income Future Trust Fund	182	3.14%	-	-
	Polaris Securities Co., Ltd.	3,668	63.20%	285	11.68%
Rent expenditure – deposit interest imputed	Polaris Securities Co., Ltd.	29	0.13%	20	-
Postage & Cable Charge	Polaris Securities Co., Ltd.	-	-	3,240	10.94%
Charge	Polaris Securities Co., Ltd.	54	-	-	-

VI. Pledge of assets: Nil.

VII. Significant commitments and contingencies:

The Company adopted "Taiwan Futures Exchange Corporation Guidelines for Use of Irrevocable Standby Letters Of Credit by Futures Commission Merchants in Emergency Measures against Insufficient Adjusted Net Capital" amended on March 14, 2008 and acquired credit line for $300 million with China trust Commercial Bank. There is no active in the credit facilities as of September 30, 2011.

VIII. Significant losses due to major disasters: Nil.

IX. Disclosure of information as related to investment in derivative financial instruments

1. As of September 30, 2011 and 2010, the Company held the derivative financial products in detail are shown as follows:

A. As of September 30, 2011, the unexpired futures and option contracts are shown as follows:

Item	Trading category	Open position: Buy / Sell		Open position: Number of contracts	Amount paid for (received from premium)	Fair value
Futures contract (domestic)	MTX	Buy		20	$ 7,433	$ 7,041
			Sell	3,627	1,299,473	1,302,274
	TX		Sell	146	209,820	209,545
	TF	Buy		7	5,769	5,758
	TE	Buy		1	1,060	1,058
	Single Stock Futures	Buy		694	72,605	65,289
			Sell	262	41,341	32,967
Futures contract (Abroad)	Precious metal Futures	Buy		30	70,416	69,846
			Sell	53	40,409	40,506
	Index Futures		Sell	138	135,927	136,444
	Foreign Exchange Futures		Sell	14	69,862	69,459
Option contract (Domestic)	TXO call	Buy		5,134	63,557	68,613
			Sell	535	891	912
	TXO put	Buy		390	18,540	19,309
			Sell	4,767	67,194	59,927
	TFO call		Sell	16	356	364
	TFO put	Buy		16	9	35
	TEO call	Buy		16	24	64
			Sell	12	164	179
	TEO put	Buy		12	30	66
			Sell	16	246	231

B. As of September 30, 2010, the unexpired futures and option contracts are shown as follows:

Item	Trading category	Open position: Buy / Sell		Open position: Number of contracts	Amount paid for (received from premium)	Fair value
Futures contract (domestic)	GTF	Buy		12	$ 6,897	$ 6,869
	MTX	Buy		8	3,241	3,247
			Sell	329	134,984	135,149
	TF	Buy		1	913	907
			Sell	5	4,529	4,543
	TE	Buy		5	6,461	6,445
	TX	Buy		90	147,859	147,888
			Sell	14	22,939	22,937
	XIF		Sell	3	3,151	3,152
	Single Stock Futures	Buy		19	1,371	1,363
	GDF	Buy		18	71,084	73,600
Futures contract (abroad)	Precious metal	Buy		25	20,572	20,651
			Sell	26	93,669	94,401
	Index Futures	Buy		57	132,156	132,105
			Sell	74	131,492	131,435
	Foreign Futures exchange	Buy		4	18,679	18,752

Item	Trading category	Open position		Amount paid for (received from premium)	Fair value
		Buy / Sell	Number of contracts		
Option contracts (domestic)	TFO call	Buy	20	98	43
		Sell	20	33	26
	TFO put	Sell	20	38	47
	TXO call	Buy	4,127	11,664	11,238
		Sell	4,282	25,197	27,671
	TXO put	Buy	7,759	14,455	12,883
		Sell	7,830	19,187	17,698
	TEO call	Buy	20	160	18
		Sell	24	94	88
	TEO put	Buy	34	190	198
		Sell	20	83	13
	GTO call	Buy	9	10	10
		Sell	48	212	184
	GTO put	Buy	58	137	110
	TGO put	Buy	10	-	-
	XIO put	Sell	1	1	-
	Stock option put	Sell	5	3	-

2. Fair value of financial assets and liabilities

Non-derivative instruments	Sep. 30, 2011		Sep. 30, 2010	
	Book value	Fair value	Book value	Fair value
Financial assets				
Cash and cash equivalents	$1,895,577	$1,895,577	$1,900,430	$1,900,430
Financial assets at fair value through profit or loss - current				
Securities	-	-	17,254	17,254
Derivative financial instruments	916,771	916,771	714,924	714,924
Available for sale financial assets – non-current	35,502	35,502	35,502	35,502
Long-term investment at equity	264,336	264,336	87,030	87,030
Refundable Deposits	9,280	9,280	8,127	8,127
Financial liabilities				
Financial liabilities at fair value through profit or loss - current				
Derivative financial instrument	61,613	61,613	45,727	45,727
Derivative financial instruments				
Futures trading margins-house funds	828,684	828,684	690,424	690,424
Call Options – non-hedging	88,087	88,087	24,500	24,500
Put Option Liabilities	61,613	61,613	45,727	45,727

The methods and assumptions used to evaluate the fair value of each class of financial instruments are as follows:

(1) Short-term financial instruments are stated at their carrying value on the balance sheet date. Because the maturity date of these instruments is very close to the balance sheet date, it is reasonable that their carrying amounts are equal to their fair values. Those in such category include cash and cash equivalents, notes and accounts receivable, margin deposits, other receivable operations guarantee deposits, clearing and settlement funds, refundable deposits, futures traders' equity, notes and accounts payable, income tax payable, other payables and accrued pension liabilities.

(2) Quoted market prices, if available, are utilized as estimates of the fair value of financial assets and liabilities. If no quoted market prices available for the financial instruments, the fair value has been derived based on pricing models. A pricing model incorporates all factors that market participants would consider in setting a price. The Company uses discount rates equal to the prevailing rates of return for financial instruments with similar characteristics. The characteristics involve debtor's credit standing, residual period of contracted fixed interest rates, residual period of principal repayment and currency of payment.

3. As of September 30, 2011 and 2010, the fair value of the financial instruments, which were based on quoted market value in active market or pricing model, were as follows:

	Sep. 30, 2011		Sep. 30, 2010	
Financial assets:	Quoted market value in active market	Amount evaluated	Quoted market value in active market	Amount evaluated
Financial assets at fair value through profit or loss – current:				
Securities	$ -	$ -	$ 17,254	$ -
Derivative financial instruments				
Call options	88,087	-	24,500	-
Future trading margins – house funds	-	828,684	-	690,424
	$ 88,087	$828,684	$ 41,754	$690,424
Financial liabilities:				
Financial liabilities at fair value through profit or loss – current:				
Derivative financial instruments:				
Put option liabilities	$ 61,613	$ -	$ 45,727	$ -

4. All the financial assets are not pledged as of September 30, 2011 and 2010.

5. Financial risk information

(1) Market risk

The major risk of the futures, options and shares trading undertaken by the Company is the market risk arising from the fluctuations in the market prices of the underlying securities. All the trading is evaluated at the fair market price enhance with the hedging policy to reduce the risk exposures. Trading strategies consist of the market diversification in order to avoid a single market risk.

(2) Credit risk

All the Company's house trading including futures, options and stocks were traded in the official exchanges through daily settlement mechanism. No significant credit risk is expected to arise.

(3) Liquidity risk

The Company is primary engaged in the public standardized transactions and the liquidity risk is assessed to be remote except for market making purpose.

As a market maker, cash settlement is usually adopted which permits the long and short to pay the net cash value of the position on the delivery date such as index option and avoid all risk by utilizing the put-call parity theory and hold up to the contract expiration.

If a physical delivery is required, the stop-loss mechanism has been established to control the risk at minimum level.

6. The significant information of credit risk

The Company's trading positions are widely diversified not only the counterparties but also the markets. Complied with the applicable regulations and strict self-disciplines to monitor the margin and control the risk on a daily basis.

X. Restrictions and enforcement of the Company's various financial ratios under ROC Futures Trading Law:

Art.	Calculation formula	Current period		Prior period		Standard	Enforcement
		Calculation	Ratio%	Calculation	Ratio%		
17	Shareholders' equity / Total liabilities – Futures traders' equity – Reserve for trading losses – Reserve for breach of contract losses	3,241,977 / 19,495,013 – 19,021,422	684.55	2,782,406 / 17,916,816 – 17,297,919 – 34,587 – 200,000	724.00	≧ 1	Satisfactory to requirements
17	Current assets / Current liabilities	21,921,286 / 19,407,880	112.95	20,001,353 / 17,600,829	113.64	≧ 1	Satisfactory to requirements
22	Shareholders' equity / Minimum paid-in capital	3,241,977 / 1,175,000	275.91	2,782,406 / 1,175,000	236.80	≧ 60% ≧ 40%	Satisfactory to requirements
22	Post-adjustment net capital / Total customer margin deposits required for futures traders, not yet offset	2,669,778 / 1,801,845	148.17	2,682,233 / 1,664,430	161.15	≧ 20% ≧ 15%	Satisfactory to requirements

XI. Unique risks to FCM's services:

1. Specific risk of futures brokerage business

   The Company's business lines include brokerage business in acting as an agent for trading of futures contracts and futures option contracts. The Company, when consigned to proceed the futures trading, should collect the trading margin deposits from clients. When trading margin deposits is not enough to pay off the loss, the Company runs the risk of significant out-of-account financing risks. As a countermeasure, the Company, in line with trading of individual customers, is closely watchful of the margin deposits to maintain a certain level and, as necessary, requests that the customers pay additional margin deposits or reduce trading values so as to control such risks.

2. Specific risk of futures dealer business

   The Company's future dealer business is to trade futures or option contracts using the house fund. The major risk is the market risk for the open position. Supervising the leverage level, evaluating the open positions, and real-time electronic programming monitory are implemented to control the risks under the tolerable limitation.

   When dealing with foreign futures, the company shall face the exchange rate risk for the foreign currency security deposit. But the exchange rate risk is not significant compared to the return from the investment, the foreign currencies are held for the long run for trading. The foreign currencies are not exchanged physically every day. If the special condition makes the rate change significantly, the company hedges with foreign futures.

XII. Segment financial status: No need to be disclosed.

XIII. Significant subsequent events: Nil.

XIV. Others

1. Loan to others: Nil.
2. Guaranteed for others: Nil.
3. Acquisition of fixed assets up to one hundred million or 20% of paid-in capital: Nil.
4. Disposal of fixed assets up to one hundred million or 20% of paid-in capital: Nil.
5. Handling fee discount to related parties summed up to $5 million: Nil.
6. Accounts receivable – related parties up to one hundred million or 20% of paid-in capital: Nil.

XV. Re-investment information

Investor	Investee	Location	Principal activity	Original investment amount		Ending balance			Investee's (loss) income of current period	Investment (loss) income recognized in current period
				Ending balance of current period	Ending balance of prior period	No. of shares (thousands)	Ratio	Book value		
Polaris Futures Co., Ltd.	MF Global Futures Trust Co., Ltd.	Taiwan	Raise the futures trust fund by issuing beneficiary certificates and use the futures trust fund for trading futures and related investments.	$ 99,990	$ 99,990	9,999	33.33%	$ 81,110	$ 14,312	($ 4,782)
Polaris Futures Co., Ltd.	Polaris Futures (HK) Co., Ltd.	Hong Kong	Financial Services	$ 193,319	$ -	6,000	100.00%	183,226	(140)	(140)

XVI. Investment in Mainland China: Nil.

XVII. Others:

The Company's internal auditor conducts internal auditing on weekly basis which includes all consignment orders, related procedures, and certificates and put into records as well. All documents mentioned above were audited and completed by CPAs.

XV. Re-investment information

Investor	Investee	Location	Principal activity	Original investment amount		Ending balance			Investee's (loss) income of current period	Investment (loss) income recognized in current period
				Ending balance of current period	Ending balance of prior period	No. of shares (thousands)	Ratio	Book value		
Polaris Futures Co., Ltd.	MF Global Futures Trust Co., Ltd.	Taiwan	Raise the futures trust fund by issuing beneficiary certificates and use the futures trust fund for trading futures and related investments.	$ 99,990	$ 99,990	9,999	33.33%	$ 81,110	$ 14,312	($ 4,782)
Polaris Futures Co., Ltd.	Polaris Futures (HK) Co., Ltd.	Hong Kong	Financial Services	$ 193,319	$ -	6,000	100.00%	183,226	(140)	(140)

XVI. Investment in Mainland China: Nil.

XVII. Others:

The Company's internal auditor conducts internal auditing on weekly basis which includes all consignment orders, related procedures, and certificates and put into records as well. All documents mentioned above were audited and completed by CPAs comple.