

E.SUN FINANCIAL HOLDING CO., LTD.

GENERAL SHAREHOLDERS MEETING 2016

Meeting Minutes

(This document is prepared in accordance with the Chinese version and is for reference only. In the event of any discrepancy between the English version and the Chinese version, the Chinese version shall prevail.)

Time: 09:00 AM, 8 June 2016 (Wednesday)

Place: Chinese Armed Forces Cultural Activity Center
No.69, Sec. 1, Zhonghua Rd., Taipei, Taiwan

Attendance: Total shares represented by the shareholders present at the meeting in person or by proxy are 6,663,200,391 shares (including 4,661,098,386 shares represented by the shareholders by electronic voting method), representing 83.80% of the total issued shares of the Company (7,951,700,000 shares).

Attending without the right to vote:

Director: Gary K.L. Tseng, Joseph N.C. Huang, Jackson Mai, Ron-Chu Chen,
Chien-Li Wu, Magi Chen, Ben Chen

Independent Director: Chen-En Ko, Ji-Ren Lee, Chen-Chen Chang Lin

Jui-Chan Huang, CPA from Deloitte & Touche, Taiwan

Ying-Chou Chen, Senior Manager from Deloitte & Touche, Taiwan

Bo-Cen Lu, Attorney-at-Law from Baker & McKenzie, Taipei

Chairperson: Yung-Jen Huang, Chairman of the Board of Directors

Minutes taken down by Mei-Cheng Chu

I. Procedure of meeting

1. Meeting duly commences in session.

2. General greetings.

3. Address by Chairman.

II. Matters for Discussion(1)

Proposal **No. 1** as proposed by the Board of Directors:

Proposal: The revision of Article 36 of the Company's Articles of Incorporation and addition of Article 36-1, as explained, in order to comply with the revised Article 235-1 of the Company Act.

Explanation:

1. According to the first paragraphs of Article 235-1 of the Company Act, A fixed amount or ratio of profit of the current year distributable as employees' compensation shall be definitely specified in the Articles of Incorporation. The ratio can be set as a fixed quantity, or via a certain zone or lower limit.
2. In accordance with the explanation MOEA Letter Jing-Shang-Zi No. 10402413890, if the Company plans to issue director compensation, it must explicitly require a fixed amount of director compensation or ratio in the Articles of Incorporation, and the determination of a director compensation ratio shall be limited to through the use of an upper limit.

Resolution:

1. Shareholder with A/C No. 133006 raised questions regarding the director compensation in the Articles of Incorporation. The Chairman feededback to the shareholder and instructed to put to the vote.
2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 6,663,111,624 shares (including 4,661,098,386 shares represented by the shareholders by electronic voting method), shares approving the proposal are 5,506,885,963 shares (including 3,506,441,420 shares voting by electronic voting method), shares opposing to the proposal are 7,247,327 shares (including 7,247,327 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,148,978,334 shares (including 1,147,409,639 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders present is 82.65%. There

are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

III. Matters for Reports

1. Report on the state of business of the Company for fiscal year 2015 by the President.

Decision: Shareholders with A/C Nos. 58288, 58289, 59670, 133006, 163253 respectively each raise questions regarding business operation matters. After hearing the explanation given by the Chairperson and the President, the shareholders present unanimously agree that the issues be taken down in record for appropriate handling.

2. Report on the inspection and auditing of the final accounting of the Company for Fiscal year 2015 by the Audit Committee.

Decision: Shareholders with A/C Nos. 58289, 133006 respectively each raise questions regarding the consolidated financial statements and annual report. After hearing the explanation given by the Chairperson, Independent Director Chen-En Ko(Convener of the Auditing Board), Director Gary K.L. Tseng and the representatives from the relevant departments, the shareholders present unanimously agree that the issues be taken down in record for appropriate handling.

3. Report on the state of issuing corporate bonds.

Explanation :

- (1) This report is made in accordance with Article 246 of the Company Act.
- (2) The 13th meeting of the 5th Board on January 8, 2016 approved an application to issue NT\$5.0 billion in unsecured first-priority corporate bonds, to be issued by the end of the year in view of the market situation.

Decision: Shareholders with A/C Nos. 58289, 133006 respectively each raise questions regarding the state of issuing corporate bonds. After hearing the explanation given by the Chairperson and the representatives from the relevant departments, the shareholders present unanimously agree that the issues be taken down in record for appropriate handling.

4. Report on the Company's specific corporate social responsibilities promotion plan.

Explanation :

- (1) This report is made in accordance with Articles 5 and 7 of the Company's Guidelines Governing Corporate Social Responsibility Practices.
- (2) In order to continue to achieve the sustainable development of CSR undertakings, and fulfill the Company's corporate social responsibilities, the 2016 specific corporate social responsibilities promotion plan is classified in accordance with the CSR committee's five working groups; key areas of the plan's content are explained as follows:

2.1 Corporate governance

To ensure the sustainable creation of corporate value and safeguard the legitimate rights and interests of stakeholders, the Company will continue to improve its corporate governance system and actions, develop in accordance with law and corporate governance, revised relevant Company standards at appropriate times, and actively participate in corporate government assessments held by the Taiwan Stock Exchange and Taiwan Corporate Governance Association.

2.2 Social welfare

Human resources underpin the country's sustainable development, and education is indispensable to the development of human resources. In order to reduce the gap in educational resources between urban and rural areas, E.Sun has joined forces with financial professionals in order to systematically implement educational programs at various levels.

2.2.1 E.Sun Golden Seed Project

The "E.Sun Golden Seed Project gratitude press conference" held in February 2016 announced the opening of a 2nd cohort of 100 E.Sun libraries. It is expected that 10 new E.Sun libraries will be opened in 2016, and a cumulative total of 110 E.Sun libraries will have been completed by the end of the year. A cumulative total of 202,500 books have been donated thus far, and close to 60,000 schoolchildren have benefited. E.Sun will continue to promote the improvement of education in remote areas.

2.2.2 E.Sun Concern for Schoolchildren Program

E.Sun expects to provide assistance to 10,000 schoolchildren, and a

cumulative total of 35,732 children will obtain benefit. Assistance provided to children attending elementary school may be used for miscellaneous school fees, books, and other expenses; this assistance is intended to ease family financial burden in the case of children from economically underprivileged households or whose families have undergone difficulties, and allow children to study with no economic pressure.

2.2.3 E.Sun Scholarships for Outstanding Managerial Talents

It is expected that scholarships will be provided to 15 persons, enabling the recipients to devote themselves entirely to their studies and enrich their skills and knowledge.

2.2.4 Eternal Love Concert

The Eternal Love Concert was held at the National Concert Hall on April 13, 2016.

2.2.5 For Mother—Concert for Moms

The "For Mother—Concert for Mom" was held at the Hsinchu Performing Arts Center on May 5, 2016.

2.3 Environmental sustainability

In view of continuing climate change and global warming, in order to continue to implement low-carbon management, the Company has adopted international environmental protection management systems, and promotes environmental education effort to exert its corporate and individual influence.

2.3.1 ISO14046 organizational water footprint

To comply with international environmental protection trends, the Company plans to adopt organizational water footprint inventories and certification at its headquarters building in accordance with the ISO14046 international standard, making it the first member of Taiwan's financial industry to adopt these measures.

2.3.2 ISO14064-1 organizational greenhouse gas inventory category III

(employee trips)

The Company has implemented category III (employee trip) greenhouse gas emission discharge investigations, and completed third party certification, making it the first member of Taiwan's financial industry to

take this step.

2.3.3 ISO 14064 greenhouse gas inventories

The Company performed greenhouse gas inventories at the E.Sun headquarters building and all branches nationwide for the 3rd time, and drafted a greenhouse gas reduction action plan.

2.3.4 ISO 14001 environmental management system

E.Sun was the first company in the financial holding industry to adopt the ISO 14001 environmental management system. The Company's international certificate expires in 2016, and it plans to adopt the newest version of the ISO 14001 system for its headquarters building, and also at the Dunnan and Fuxing branches.

2.3.5 ISO 50001 energy management system

In 2013, E.Sun became the first domestic bank to pass ISO 50001 energy management system certification. When the Company's international certificate expires in 2016, it plans to again implement carbon reduction and power conservation management at its headquarters building, and also at the Dunnan and Fuxing branches.

2.3.6 Equator Principles

E.Sun formally signed the "Equator Principles" on December 28, 2015, making it one of the 82 financial institutions worldwide to have signed these principles. The Equator Principles call for the implementation of improved environmental and social lending procedures in the case of large loan financial projects, and seek to ensure that loans will not have negative impacts on the environment or society.

2.3.7 Drafting of the "Human Rights and Environmental Sustainability Clause Agreement"

Since the "Human Rights and Environmental Sustainability Clause Agreement" was drafted in 2012, E.Sun has invited partners and vendors to sign a "Human Rights and Environmental Sustainability Clause Agreement," which calls for environmental sustainable management as a corporate objective. E.Sun will continue to promote this agreement, and will encourage even more partners to jointly respond to and sign the agreement.

2.3.8 YouBike

The Company continued to implement the "E.Sun Youbike Smile 123" incentive activity, which is encouraging environmental protection and healthy lifestyles in Taipei, New Taipei, Taichung, and Changhua.

2.3.9 Taiwan Black Bear Conservation

E.Sun continued to issue the Black Bear Affinity Card, and established a large black bear conservation billboard in Taipei Municipal Zoo. In 2016, E.Sun plans to promote environmental education and place the "E.Sun Sponsors the Taiwan Black Bear Conservation Project" information sign in a new Taiwan black bear exhibition area.

2.4 Customer rights

In order to protect customers' rights, E.Sun has drafted fair customer treatment principles, and has also responded to the Bank 3.0 trend by using innovative technology to improve customer experience and value.

2.4.1 Drafting of the "E.Sun Commercial Bank Fair Customer Treatment Principles, Policy, and Strategy"

In order to uphold the principles of fairness, reason, and good faith, and protect financial consumers' rights, the Company determined the "E.Sun Commercial Bank Fair Customer Treatment Principles, Policy, and Strategy," which seeks to establish a corporate culture that emphasizes the protection of financial consumers, to guide the Company's values system and behavior.

2.4.2 Transformation of branches

With the transformation of branches, improved service processes include a preprocessing function, a convenient finance area, one-stop account opening, a dedicated corporate counter, and the fusion of virtual and physical channels, which has achieved equality among branches. The first digital flagship branch opened in March 2016.

2.4.3 Revision of E.Sun's mobile banking app

In order to provide customers convenient digital financial services, we have revised E.Sun's mobile banking app, which has enhanced its effectiveness, and also adopted the new Keypasco security mechanism.

2.4.4 Introduction of cell phone versions of the financial holding/bank websites

E.Sun expects to develop and issue new cell phone versions of its financial holding/bank websites, which will provide users an even better browsing and query platform.

2.4.5 AML (controlling money laundering and cutting off funds for terrorism)

The revision of the "E.Sun Commercial Bank Assessment of Risk of Money Laundering and Funding for Terrorism and Determination of Relevant Control Plans" added the requirement that an annual assessment of risk of money laundering and terrorist funding be performed, and annual action plans be formulated to control risk of money laundering and terrorist funding throughout the bank.

2.5 Concern for employees

Taking the "home" as the core of its humane concern, E.Sun promotes employee health, and provides employees benefits and care mechanisms as part of its efforts to create a happy workplace.

2.5.1 Establishment of the "Core HR System"

The Company continued to perfect its human resources system, and expects to adopt the "Core HR System" in order to simplify colleagues' use procedures and enhance efficiency.

2.5.2 E.Sun Employee Family Concern and Outstanding Child Award

The Company provides economic assistance and other forms of concern to E.Sun employees, and all employees may submit applications for the Outstanding Child Award when their children have special achievements or receive awards in major domestic or foreign competitions.

2.5.3 Climbing to the summit of Yushan

The Company will conduct two climbs to the summit of Yushan, which will be held in 2016 during the period of May 17-19 and October 16-18; approximately 120 persons may take part.

2.5.4 "E.Sun Bicycle Ride Around Taiwan: Sending Love

Everywhere"—Cycling around Taiwan

A 10-day trip around the island of Taiwan on bicycle was held during the period of March 22-31, and approximately 30 persons took part.

2.5.5 Establishment of medical consulting stations

The Company continued to arrange on-site services and employee medical consulting from doctors in the Department of Environmental and Occupational Medicine at National Taiwan University Hospital; seven consulting sessions are held each month.

The foregoing programs may be adjusted when needed by the chairman or person designated by the chairman on the basis of the environment or special needs.

Decision: Shareholders with A/C Nos. 58289, 133006 respectively each raise questions regarding the Company's specific corporate social responsibilities promotion plan. After hearing the explanation given by the Chairperson and the President, the shareholders present unanimously agree that the issues be taken down in record for appropriate handling.

5. Report on the status of remuneration to employees and directors.

Explanation :

- I. This report is made in accordance with Article 36 of the Articles of Incorporation of the Company.
- II. The Company had pre-tax net profit before allocation of compensation to employees and directors of NT\$12,835,748,304. After subtracting an amount of NT\$136,614,115 for reserve against cumulative losses, pre-tax net profit before allocation was NT\$12,699,134,189. In accordance with the ratios in the Articles of Incorporation, employee compensation (2.7%) was NT\$342,876,623 (including stock and cash compensation of NT\$342,805,000 and NT\$71,623), and director compensation (not exceeding 0.9%) was NT\$97,000,000 in cash.
- III. In accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing number of allocated shares shall be made on the basis of the closing price on the day before the Board resolution.

Decision: Report noted.

IV. Matters for ratification

Proposal **No. 1** as proposed by the Board of Directors:

Proposal: Recognize the Company's fiscal year 2015 business report and financial statements.

Explanation:

1. This proposal is made pursuant to Article 230 of the Company Act and Article 35 of the Articles of Incorporation of the Company.
2. The financial report of the Company produced on the year 2015 and the books and accounts including the business report were approved on 18 March 2016 by the 15th meeting of the 5th Board of Directors and audited and certified by Huang Jui-Chan CPA and Lai Kwan-Chung CPA with Deloitte & Touche, Taiwan. The books and accounts herein were inspected by the audit committee as containing no irregularity afterwards. The independent directors produced the relevant inspection report. (Please see Appendices 1 and 2)

Resolution:

1. Shareholder with A/C Nos. 58289, 133006 raised questions regarding the Company's fiscal year 2015 business report. The Chairman feedbacked to the shareholder and instructed to put to the vote.

2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 6,663,200,391 shares (including 4,661,098,386 shares represented by the shareholders by electronic voting method), shares approving the proposal are 5,489,099,152 shares (including 3,488,811,870 shares voting by electronic voting method), shares opposing to the proposal are 501,854 shares (including 501,854 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,173,599,385 shares (including 1,171,784,662 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders present is 82.38%. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

Proposal No. 2 as proposed by the Board of Directors:

Proposal: Net income distribution for fiscal year 2015.

Explanation:

1. The distribution of profits for fiscal 2015 is proposed in accordance with Article 36-1 of the Articles of Incorporation of the Company.
2. With TWD43,575,311 in beginning retained earnings for the year 2015 and subtracting the retroactively applicable influence number of TWD13,717,386, the Company adjusted preliminary undistributed earnings totaled TWD29,857,925. After transferring retained earnings of TWD47,819,155 reflecting the financial liability credit risk variable influence number assessed on the basis of fair value, subtracting TWD4,547,99 confirmed benefit plan re-assessment number recognized in retained earnings, and subtracting retained earnings of TWD209,743,20 adjusted due to investments employing the equity method, the cumulative losses of TWD136,614,115 after adjustment were added to net profit after tax for the year of TWD12,816,347,396, yielding net profit for the period of TWD 12,679,733,281 after making up losses. After subtracting a statutory reserve contribution of TWD1,267,973,328, distributable earnings totaled TWD11,411,759,953, and it is planned to allocate shareholders bonuses totaling TWD11,370,931,000, where bonuses will be TWD1.0 per share (totaling NT\$7,951,700,000) and TWD \$0.43 cash dividends (TWD 3,419,231,000) per share and the balance of TWD 40,828,953 is retained as non-distributed earnings as of the end of the period.
3. The news shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholders roster at the rate of 100 new shares on each 1,000 shares held in proportion to their shareholding. Fractions of a share may be combined for full shares with the fractions of shares held by other shareholders within the specified time period. Upon expiration of the specified time period or fractions of a share still remain, cash will be paid according to the par value (and rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.

4. The cash dividend being distributed shall be rounded off proportionately to the nearest Taiwan dollar. The sum of all cash dividends less than TWD1 shall be adjusted in line with a progressive decrease in decimal numbers and a progressive increase in shareholder numbers so that the total of dividend distribution is fully accounted for.
5. It is proposed that the Board of Directors and /or the chairman of the Company would be authorized with full powers to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.
6. Subject to approval of the proposal by the shareholders' meeting, it is proposed that the Board of Directors and /or the chairman of the Company be authorized to determine the cash dividend record date. Upon approval of the competent authority, it is proposed that the Board of Directors and /or the chairman of the Company be authorized to determine the stock dividend record date.

Resolution:

1. Shareholder with A/C No. 133006 raised questions regarding the risk of investing Chinese Yuan currently. The Chairman feedbacked to the shareholder and instructed to put to the vote.

2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 6,663,200,391 shares (including 4,661,098,386 shares represented by the shareholders by electronic voting method), shares approving the proposal are 5,515,047,709 shares (including 3,513,603,346 shares voting by electronic voting method), shares opposing to the proposal are 595,946 shares (including 595,946 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,147,556,736 shares (including 1,146,899,094 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders is present 82.77%. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

E.SUN FINANCIAL HOLDING Co., LTD.

PROPOSED DISTRIBUTION OF EARNINGS

As of 31 December 2015

Currency: TWD

Balance of undistributed earnings at the beginning of the period	43,575,311
Retroactively applicable influence number	(13,717,386)
Adjusted preliminary undistributed earnings	29,857,925
Retained earnings with the financial liability credit risk variable influence number assessed on the basis of fair value	47,819,155
Confirmed benefit plan re-assessment number recognized in retained earnings	(4,547,992)
Retained earnings adjusted due to investments employing the equity method	(209,743,203)
Undistributed earnings after adjustment	(136,614,115)
Net profit after tax for the year	12,816,347,396
Net profit for the period after making up losses	12,679,733,281
10% legal reserve	(1,267,973,328)
Distributable earnings for the period	11,411,759,953
Distribution items:	
Stock dividend (TWD1 per share)	(7,951,700,000)
Cash dividend (TWD 0.43 per share)	(3,419,231,000)
Total shareholders' bonuses	(11,370,931,000)
Profit undistributed as of the end of the period	40,828,953

Note: Dividend distribution shall be based on after-tax earnings for the year as a first priority.

V. Matters for discussion(2)

Proposal No. 1 as proposed by the Board of Directors:

Proposal: For the purpose of increasing the BIS ratio of the Company in consideration of the Company's long-term development and operation, it is proposed to implement a capital increase by recapitalization of earnings and employee compensation.

Explanation:

1. Amount of the capital increase and number of shares:

The Company currently has TWD 79,517,000,000 in paid-in capital from a total of 7,951,700,000 issued shares. It is proposed that 795,170,000 new shares be issued on the amount of TWD 7,951,700,000 which is the profit distributable to shareholders as dividend. employee stock compensation of NT\$342,805,000, where, in accordance with Financial Supervisory Commission regulations Jin-Guan-Zheng-Shen-Zi No. 1050001900 of January 30, 2016, calculation of the foregoing stock compensation shall be made on the basis of the closing price of NT\$18.50 per share on the day before the Board resolution. A total of 18,530,000 new shares were issued. The foregoing recapitalized earnings totaled NT\$8,137,000,000, and 813,700,000 shares with a face value of NT\$10 per share were issued. After recapitalization, the Company's paid-in capital was increased to NT\$87,654,000,000, and 8,765,400,000 shares were issued.

2. Source of the fund proposed to be capitalized:

Shareholder stock bonuses and employee stock bonuses from 2015 will be recapitalized.

3. Purpose of the fund from the capital increase:

The increased capital fund will be used to increase the BIS ratio of the Company in consideration of the Company's long-term development and operation and strengthened competitiveness of the Company.

4. Issuance of new shares:

It is proposed that the new shares be issued in full by one share with a par value of TWD 10 each. Holders of the new shares shall hold the same rights and

bear the same obligations as the holders of the original issued shares.

5. 795,170,000 shares of the news shares to be issued on the capital increase proposed shall be distributed, with no consideration paid, to the shareholders as registered in the shareholders roster at the rate of 100 new shares on each 1,000 shares held in proportion to their shareholding. Fractions of a share may be combined for full shares with the fractions of shares held by other shareholders within the specified time period. Upon expiration of the specified time period or fractions of a share still remain, cash will be paid according to the par value (and rounded to the nearest full Taiwan Dollar) and the chairman of the Company would be authorized to look for specified persons to buy the fraction of shares according to the par value.

6. Stock Dividend Record Date:

Subject to approval of the proposal by the shareholders' meeting and that of the competent authority, it is proposed that the Board of Directors and or/ chairman of the Company be authorized to determine and announce the date.

7. As of now, the outstanding shares of the Company amount to 7,951,700,000 in total. It is proposed that the Board of Directors and /or the chairman of the Company would be authorized with full powers to deal with matters in connection with the change (if any) to the stock (cash) dividend ratio distributable to shareholders as a result of a change in the total outstanding shares of the Company arising from any reasons.

Resolution:

1. Shareholder with A/C No. 133006 raised questions regarding a capital increase by recapitalization of earnings and employee compensation. The Chairman feedbacked to the shareholder and instructed to put to the vote.
2. Voting result:

Total shares represented by the shareholders present in person or by proxy are 6,663,200,391 shares (including 4,661,098,386 shares represented by the shareholders by electronic voting method), shares approving the proposal are 5,513,796,272 shares (including 3,513,450,909 shares voting by electronic voting method), shares opposing to the proposal are 731,951 shares (including 731,951 shares voting by electronic voting method), and shares waiving voting right to the proposal are 1,148,672,168 shares (including

1,146,915,526 shares voting by electronic voting method). The proportion of the number of approving shares to total shares represented by the shareholders present is 82.75%. There are more than half of the shares represented by the shareholders present approving the proposal, as a result, chairman declared this proposal is approved by vote.

VI. Extempore motion

Shareholder with A/C No. 59670 raised questions regarding business operation matters while shareholder with A/C No. 13306 raised questions regarding E.SUN Volunteer & Social welfare Foundation. Shareholder with A/C No. 290283 raised questions regarding how to introduce the culture of E.SUN to the FinTech company. The Chairman feedbacked to the three shareholders and both parties agreed not to put these in motion.

VII. Meeting adjourned (at about 12:20 PM the same day.)

Chairperson: Yung-Jen Huang, Chairman of the Board of Directors

Minutes taken down by Mei-Cheng Chu

※The Minutes only reflected the main contents of the meeting. Please refer to the recording for the exact contents and proceeding of the meeting.

VIII. Appendices

<Appendices 1>

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2015 AND 2014

(In Thousands of New Taiwan Dollars)

	2015	%	2014	(Applied Retrospectively)	%
	Amount		Amount		
ASSETS					
CASH AND CASH EQUIVALENTS (Notes 4 and 6)	\$ 36,710,732	2	\$ 29,547,360	2	
DUE FROM THE CENTRAL BANK AND CALL LOANS TO OTHER BANKS (Notes 4 and 7)	67,401,915	4	60,090,348	4	
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 38)	349,603,244	20	292,870,111	19	
AVAILABLE-FOR-SALE FINANCIAL ASSETS, NET (Notes 4, 9 and 38)	131,281,637	7	86,030,495	6	
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Notes 4 and 10)	896,844	-	152,758	-	
RECEIVABLES, NET (Notes 4 and 11)	78,562,234	4	73,087,654	5	
CURRENT TAX ASSETS (Notes 4 and 34)	104	-	335,260	-	
DISCOUNTS AND LOANS, NET (Notes 4, 12, 37 and 38)	1,021,994,720	58	934,613,524	60	
HELD-TO-MATURITY FINANCIAL ASSETS, NET (Notes 4, 13 and 38)	5,289,839	-	5,915,792	-	
OTHER FINANCIAL ASSETS, NET (Notes 4, 14 and 28)	43,697,797	3	52,810,267	3	
INVESTMENT PROPERTIES, NET (Notes 4 and 15)	461,799	-	421,270	-	
PROPERTIES AND EQUIPMENT, NET (Notes 4 and 16)	26,792,354	2	21,106,105	1	
INTANGIBLE ASSETS, NET (Notes 4 and 17)	5,953,922	-	5,683,483	-	
DEFERRED TAX ASSETS (Notes 4 and 34)	500,739	-	123,932	-	
OTHER ASSETS, NET (Notes 4, 18 and 27)	<u>6,136,051</u>	<u>-</u>	<u>3,631,499</u>	<u>-</u>	<u>-</u>
TOTAL	<u>\$ 1,775,283,931</u>	<u>100</u>	<u>\$ 1,566,419,858</u>	<u>100</u>	<u>-</u>
LIABILITIES AND EQUITY					
DUE TO THE CENTRAL BANK AND OTHER BANKS (Note 19)	\$ 71,170,130	4	\$ 58,199,621	4	
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 4, 8 and 24)	35,875,595	2	26,081,873	2	
SECURITIES SOLD UNDER REPURCHASE AGREEMENTS (Notes 4, 9, 13 and 20)	8,034,391	1	13,117,523	1	
COMMERCIAL PAPER ISSUED, NET (Note 21)	2,279,200	-	2,828,518	-	
PAYABLES (Notes 4 and 21)	21,441,650	1	21,740,276	1	
CURRENT TAX LIABILITIES (Notes 4 and 34)	1,144,949	-	853,016	-	
DEPOSITS AND REMITTANCES (Notes 23 and 37)	1,456,393,949	82	1,280,691,771	82	
BOND PAYABLES (Note 24)	50,750,000	3	49,600,000	3	
OTHER BORROWINGS (Note 25)	1,269,940	-	380,040	-	
PROVISIONS (Notes 4, 26 and 27)	499,097	-	372,656	-	
OTHER FINANCIAL LIABILITIES (Note 28)	1,319,959	-	2,583,420	-	
DEFERRED TAX LIABILITIES (Notes 4 and 34)	1,288,004	-	816,112	-	
OTHER LIABILITIES (Note 29)	<u>2,156,169</u>	<u>-</u>	<u>1,529,273</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,653,623,033</u>	<u>93</u>	<u>1,458,794,099</u>	<u>93</u>	<u>-</u>
EQUITY ATTRIBUTABLE TO OWNERS OF ESFHC					
Capital stock	79,517,000	5	70,530,000	5	
Common stock					
Capital surplus					
Additional paid-in capital from share issuance in excess of par value	17,118,680	1	15,993,213	1	
From treasury stock transactions	3,382,484	-	3,382,484	-	
Total capital surplus	<u>20,501,164</u>	<u>1</u>	<u>19,375,697</u>	<u>1</u>	<u>-</u>
Retained earnings					
Legal reserve	5,409,976	-	4,357,121	-	
Special reserve	164,235	-	164,235	-	
Unappropriated earnings	12,679,733	1	10,582,393	1	
Total retained earnings	<u>18,253,944</u>	<u>1</u>	<u>15,103,749</u>	<u>1</u>	<u>-</u>
Other equity					
Total equity attributable to owners of ESFHC	<u>120,927,106</u>	<u>7</u>	<u>106,840,806</u>	<u>7</u>	<u>-</u>
NON-CONTROLLING INTERESTS					
Total equity	<u>121,660,898</u>	<u>7</u>	<u>107,625,759</u>	<u>7</u>	<u>-</u>
TOTAL	<u>\$ 1,775,283,931</u>	<u>100</u>	<u>\$ 1,566,419,858</u>	<u>100</u>	<u>-</u>

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
INTEREST REVENUE (Notes 4, 30 and 37)	\$ 29,981,181	78	\$ 27,147,256	83	10
INTEREST EXPENSE (Notes 4, 30 and 37)	(12,507,553)	(33)	(11,662,630)	(36)	7
NET INTEREST	<u>17,473,628</u>	<u>45</u>	<u>15,484,626</u>	<u>47</u>	13
NET REVENUES AND GAINS OTHER THAN INTEREST					
Service fee and commission income, net (Notes 4, 31 and 37)	13,878,175	36	11,470,184	35	21
Gains on financial assets and liabilities at fair value through profit or loss (Notes 4, 8 and 32)	7,377,757	19	3,140,078	10	135
Realized gains on available-for-sale financial assets (Note 4)	463,937	1	483,116	2	(4)
Foreign exchange gains (losses), net (Note 4)	(894,473)	(2)	2,058,975	6	(143)
Impairment losses on assets (Notes 4, 9, 14 and 15)	(120,953)	-	(80,277)	-	51
Gains on financial assets carried at cost, net (Note 4)	70,879	-	120,728	-	(41)
Other noninterest gains, net	<u>240,379</u>	<u>1</u>	<u>77,089</u>	<u>-</u>	212
Total net revenues and gains other than interest	<u>21,015,701</u>	<u>55</u>	<u>17,269,893</u>	<u>53</u>	22
TOTAL NET REVENUES	<u>38,489,329</u>	<u>100</u>	<u>32,754,519</u>	<u>100</u>	18
BAD-DEBT EXPENSES AND PROVISION FOR LOSSES ON GUARANTEES (Notes 4 and 12)	(3,566,430)	(9)	(2,033,689)	(6)	75
OPERATING EXPENSES (Notes 4, 15, 16, 17, 27, 33 and 37)					
Employee benefits	(9,057,587)	(24)	(8,347,056)	(26)	9
Depreciation and amortization	(1,275,259)	(3)	(1,089,802)	(3)	17
General and administrative	<u>(9,804,922)</u>	<u>(25)</u>	<u>(8,503,101)</u>	<u>(26)</u>	15
Total operating expenses	<u>(20,137,768)</u>	<u>(52)</u>	<u>(17,939,959)</u>	<u>(55)</u>	12

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
INCOME BEFORE INCOME TAX	\$ 14,785,131	39	\$ 12,780,871	39	16
INCOME TAX EXPENSE (Notes 4 and 34)	(1,906,172)	(5)	(2,165,739)	(7)	(12)
NET INCOME	<u>12,878,959</u>	<u>34</u>	<u>10,615,132</u>	<u>32</u>	21
OTHER COMPREHENSIVE INCOME					
Items that will not be reclassified subsequently to profit or loss (Notes 4, 27 and 34):					
Remeasurement of defined benefit plans	(129,803)	(1)	66,864	-	(294)
Changes in the fair value attributable to changes in the credit risk of financial liabilities designated as at fair value through profit or loss	(75,244)	-	-	-	-
Income tax relating to items that will not be reclassified subsequently to profit or loss	33	-	13	-	154
Items that will not be reclassified subsequently to profit or loss, net of income tax	(205,014)	(1)	66,877	-	(407)
Items that may be reclassified subsequently to profit or loss (Notes 4 and 34):					
Exchange differences on the translation of financial statements of foreign operations	625,763	2	873,966	3	(28)
Unrealized gains on available-for-sale financial assets	460,225	1	335,678	1	37
Income tax relating to items that may be reclassified subsequently to profit or loss	(97,228)	-	(149,428)	-	(35)
Items that may be reclassified subsequently to profit or loss, net of income tax	988,760	3	1,060,216	4	(7)
Other comprehensive income for the year, net of income tax	<u>783,746</u>	<u>2</u>	<u>1,127,093</u>	<u>4</u>	(30)
TOTAL COMPREHENSIVE INCOME	<u>\$ 13,662,705</u>	<u>36</u>	<u>\$ 11,742,225</u>	<u>36</u>	16

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)**

	2015		2014 (Applied Retrospectively)		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET INCOME ATTRIBUTABLE TO					
Owners of ESFHC	\$ 12,816,347	33	\$ 10,538,356	32	22
Non-controlling interests	<u>62,612</u>	<u>-</u>	<u>76,776</u>	<u>-</u>	(18)
	<u><u>\$ 12,878,959</u></u>	<u><u>33</u></u>	<u><u>\$ 10,615,132</u></u>	<u><u>32</u></u>	21
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO					
Owners of ESHFC	\$ 13,567,419	36	\$ 11,619,958	36	17
Non-controlling interests	<u>95,286</u>	<u>-</u>	<u>122,267</u>	<u>-</u>	(22)
	<u><u>\$ 13,662,705</u></u>	<u><u>36</u></u>	<u><u>\$ 11,742,225</u></u>	<u><u>36</u></u>	16
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 35)					
Basic	<u>\$1.63</u>		<u>\$1.43</u>		
Diluted	<u>\$1.61</u>		<u>\$1.43</u>		

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
 (In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of ESFHC							Other Equity		Changes in the Fair Value Attributable to Changes in the Credit Risk of Financial Liabilities Designated as at Fair Value through Profit or Loss (Note 4)	Non-controlling Interests (Notes 4, 36 and 48)	Total Equity			
	Capital Stock (Note 36)			Retained Earnings (Notes 4 and 36)			Exchange Differences on the Translation of Financial Statements of Foreign Operations (Notes 4 and 48)	Unrealized Gains on Available-for-sale Financial Assets (Notes 4 and 48)							
	Shares (In Thousands)	Common Stock	Capital Surplus (Notes 4 and 36)	Legal Reserve	Special Reserve	Unappropriated Earnings									
BALANCE AT JANUARY 1, 2014	5,524,300	\$ 55,243,000	\$ 14,497,390	\$ 3,515,723	\$ 555,084	\$ 8,023,127	\$ (94,049)	\$ 910,684	\$ -	\$ 662,686	\$ 83,313,645				
Effect of retrospective application	-	-	-	-	-	(45,391)	-	-	-	-	(45,391)				
BALANCE AT JANUARY 1, 2014 AS APPLIED RETROSPECTIVELY	5,524,300	55,243,000	14,497,390	3,515,723	555,084	7,977,736	(94,049)	910,684	-	662,686	83,268,254				
Reversal of special reserve	-	-	-	-	(390,849)	390,849	-	-	-	-	-				
Appropriation of 2013 earnings															
Legal reserve	-	-	-	841,398	-	(841,398)	-	-	-	-	-				
Cash dividends	-	-	-	-	-	(1,786,647)	-	-	-	-	(1,786,647)				
Stock dividends	576,338	5,763,380	-	-	-	(5,763,380)	-	-	-	-	-				
Issuance of common stock from bonus to employees	13,283	132,826	100,948	-	-	-	-	-	-	-	233,774				
Capital increase	700,000	7,000,000	3,500,000	-	-	-	-	-	-	-	10,500,000				
Share-based payment for the subscription of new shares by employees	-	-	264,769	-	-	-	-	-	-	-	264,769				
Convertible bonds converted to common shares	239,079	2,390,794	1,012,590	-	-	-	-	-	-	-	3,403,384				
Net income for the year ended December 31, 2014	-	-	-	-	-	10,538,356	-	-	-	76,776	10,615,132				
Other comprehensive income for the year ended December 31, 2014, net of income tax	-	-	-	-	-	66,877	688,226	326,499	-	45,491	1,127,093				
Total comprehensive income for the year ended December 31, 2014	-	-	-	-	-	10,605,233	688,226	326,499	-	122,267	11,742,225				
BALANCE AT DECEMBER 31, 2014	7,053,000	70,530,000	19,375,697	4,357,121	164,235	10,582,393	594,177	1,237,183	-	784,953	107,625,759				
Effect of retrospective application	-	-	-	-	-	21,870	-	-	(21,870)	-	-				
BALANCE AT JANUARY 1, 2015 AS APPLIED RETROSPECTIVELY	7,053,000	70,530,000	19,375,697	4,357,121	164,235	10,604,263	594,177	1,237,183	(21,870)	784,953	107,625,759				
Appropriation of 2014 earnings															
Legal reserve	-	-	-	1,052,855	-	(1,052,855)	-	-	-	-	-				
Cash dividends	-	-	-	-	-	(3,173,850)	-	-	-	-	(3,173,850)				
Stock dividends	634,770	6,347,700	-	-	-	(6,347,700)	-	-	-	-	-				
Convertible bonds converted to common shares	248,650	2,486,504	995,591	-	-	-	-	-	-	-	3,482,095				
Issuance of common stock from bonus to employees	15,280	152,796	129,876	-	-	-	-	-	-	-	282,672				
Acquisition of interest in subsidiary	-	-	-	-	-	(84,521)	12,267	218	-	(146,447)	(218,483)				
Net income for the year ended December 31, 2015	-	-	-	-	-	12,816,347	-	-	-	62,612	12,878,959				
Other comprehensive income for the year ended December 31, 2015, net of income tax	-	-	-	-	-	(81,951)	489,792	466,294	(123,063)	32,674	783,746				
Total comprehensive income for the year ended December 31, 2015	-	-	-	-	-	12,734,396	489,792	466,294	(123,063)	95,286	13,662,705				
BALANCE AT DECEMBER 31, 2015	7,951,700	\$ 79,517,000	\$ 20,501,164	\$ 5,400,976	\$ 164,235	\$ 12,679,733	\$ 1,096,236	\$ 1,703,695	\$ (144,933)	\$ 733,791	\$ 121,660,898				

The accompanying notes are an integral part of the consolidated financial statements.

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014 (Applied Retrospectively)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 14,785,131	\$ 12,780,871
Adjustments for:		
Depreciation expenses	940,743	837,795
Amortization expenses	334,516	252,007
Bad-debt expenses	3,557,881	2,031,915
Gains on financial assets and liabilities at fair value through profit or loss	(7,377,757)	(3,140,078)
Interest expense	12,507,553	11,662,630
Interest revenue	(29,981,181)	(27,147,256)
Dividend income	(216,343)	(121,367)
Provision for losses on guarantees	8,549	1,774
Salary expenses on share-based payments	343,836	549,238
Gains on disposal of properties and equipment	(4,760)	(8,886)
Losses (gains) on disposal of investment properties	(2,562)	1,384
Gains on disposal of investments	(316,949)	(482,573)
Impairment losses on financial assets	121,133	80,591
Reversal of impairment losses on nonfinancial assets	(180)	(314)
Unrealized losses (gains) on foreign currency exchange	75,949	(108,027)
Losses (gains) on disposal of foreclosed collaterals	(8,884)	2,926
Net changes in operating assets and liabilities		
Increase in due from the Central Bank and call loans to other banks	(4,590,329)	(1,096,468)
Increase in financial assets at fair value through profit or loss	(50,531,473)	(5,553,468)
Increase in available-for-sale financial assets	(45,947,317)	(13,626,359)
Increase in securities purchased under resell agreements	(878,983)	(17,861)
Increase in receivables	(4,743,325)	(8,702,922)
Increase in discounts and loans	(91,181,192)	(108,656,664)
Decrease in held-to-maturity financial assets	628,643	2,639,585
Decrease (increase) in other financial assets	8,955,422	(35,186,045)
Decrease (increase) in other assets	(564,280)	37,636
Increase in due to the Central Bank and other banks	12,970,509	10,554,000
Increase in financial liabilities at fair value through profit or loss	10,309,903	13,529,746
Increase (decrease) in securities sold under repurchase agreements	(5,083,132)	6,863,232
Increase in payables	120,569	2,239,471
Increase in deposits and remittances	175,702,178	129,900,866
Decrease in provision for employee benefits	(13,639)	(10,940)
Decrease in other financial liabilities	(1,177,391)	(38,197)
Increase (decrease) in other liabilities	224,885	(25,588)
Cash used in operations	(1,032,277)	(9,957,346)
Interest received	34,273,681	30,123,542
Dividend received	230,718	198,802

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

	2015	2014 (Applied Retrospectively)
Interest paid	\$ (12,549,995)	\$ (11,444,813)
Income tax paid	<u>(1,295,583)</u>	<u>(1,454,522)</u>
Net cash provided by operating activities	<u>19,626,544</u>	<u>7,465,663</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash outflow on acquisition of subsidiary	-	(80,026)
Payments for properties and equipment	(6,508,542)	(2,500,172)
Proceeds of the disposal of properties and equipment	10,255	60,980
Increase in operating deposits	-	(35,000)
Increase in settlement fund	(10,100)	(3,988)
Decrease in settlement fund	219	53
Increase in refundable deposits	(2,025,685)	(1,192,380)
Payments for intangible assets	(375,984)	(239,194)
Proceeds of the disposal of foreclosed collaterals	8,997	5,210
Payments for investment properties	(234,705)	-
Proceeds of the disposal of investment properties	10,665	8,479
Increase in other assets	<u>(8,198)</u>	<u>(4,522)</u>
Net cash used in investing activities	<u>(9,133,078)</u>	<u>(3,980,560)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	536,621	-
Increase in commercial paper issued	-	846,948
Decrease in commercial paper issued	(549,935)	-
Repayment of corporate bonds	-	(500,000)
Proceeds of the issuance of bank debentures	8,750,000	3,500,000
Repayment of bank debentures	(7,600,000)	(7,200,000)
Increase in long-term borrowings	372,823	97,632
Increase in guarantee deposits received	-	228,973
Decrease in guarantee deposits received	(86,070)	-
Cash dividends paid	(3,173,850)	(1,786,647)
Capital increase	-	10,500,000
Change in non-controlling interest (Note 48)	<u>(218,483)</u>	<u>-</u>
Net cash provided by (used in) financing activities	<u>(1,968,894)</u>	<u>5,686,906</u>
EFFECT OF EXCHANGE RATES CHANGE ON CASH AND CASH EQUIVALENTS	<u>1,217,132</u>	<u>264,767</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>9,741,704</u>	<u>9,436,776</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	<u>32,061,680</u>	<u>22,624,904</u>
CASH AND CASH EQUIVALENTS, END OF THE YEAR	<u>\$ 41,803,384</u>	<u>\$ 32,061,680</u>

(Continued)

E.SUN FINANCIAL HOLDING COMPANY, LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014
(In Thousands of New Taiwan Dollars)

Reconciliations of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of December 31, 2015 and 2014:

	2015	2014 (Applied Retrospectively)
Cash and cash equivalents in the consolidated balance sheets	\$ 36,710,732	\$ 29,547,360
Due from the Central Bank and call loans to other banks in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	5,092,652	2,379,423
Securities purchased under resell agreements in accordance with cash and cash equivalents under IAS 7 "Statement of Cash Flows"	-	134,897
Cash and cash equivalents, end of the year	<u>\$ 41,803,384</u>	<u>\$ 32,061,680</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
E.SUN Financial Holding Company, Ltd.

We have audited the accompanying consolidated balance sheets of E.SUN Financial Holding Company, Ltd. (ESFHC) and its subsidiaries (collectively, the "Company") as of December 31, 2015 and 2014, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended. These consolidated financial statements are the responsibility of ESFHC's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2015 and 2014, and their consolidated financial performance and consolidated cash flows for the years then ended, in conformity with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the Financial Supervisory Commission of the Republic of China.

March 18, 2016

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Audit Committee Report

To: E.SUN Financial Holding Company 2016 General Shareholders' Meeting

The board of directors has complied and submitted the company's 2015 consolidated financial statements audited by Certified Public Accountants of Deloitte & Touche, business report and statement of distribution of retained earnings to Audit Committee. After reviewing the abovementioned statements and reports and discussing with the CPAs, the Audit Committee has found them to meet the requirements of applicable laws and regulations. This report is hereby prepared in accordance with Article 14-4 of Security and Exchange Act and Article 219 of Company Act and submitted for your approval.

E.SUN Financial Holding Company Audit Committee

Independent Director:

Independent Director:

Independent Director:

Independent Director:

Date: April 26 2016

< Appendices 2 >

Business Report

Dear Shareholders,

2015 saw quite dramatic economic swings and subdued growth. Fed started a fresh rate hike cycle in December, and its 25-basis point rate increase ended nearly seven years of near-zero interest rates. Mainland China left behind years of hefty growth as the country changed gear to structural reform; big swings in equity market and RMB interest and exchange rates sent shock waves across global markets. Export-oriented economies were hit hard by declines in consumer demand and plunges in the prices of crude oil and other commodities. On the other hand, the 2015 Paris Climate Conference managed to achieve a legally binding and universal agreement on reducing greenhouse gas emissions, thus setting a new milestone on the path toward a low-carbon global economy. These rapid changes, to be sure, posed a major challenge to businesses while also making a critical moment for testing their capability to adapt accordingly.

E.SUN Bank achieved an admirably benchmark again in 2015. Besides setting record highs in earnings and other financial indicators, E.SUN was simultaneously honored by two prestigious magazines—The Asset and Asiamoney—as the best domestic bank in Taiwan. Moreover, E.SUN was listed in the DJSI World Index, the first ever financial institution in Taiwan. All these accolades attest to the extensive recognition, domestic and overseas, of E.SUN’s longtime commitment to sound business and sustainable development.

Confronted with a new era of the “fast” economy, businesses are challenged to compete not only with peers but also across the arena-like marketplace. Keeping this in mind, we develop internal stability and external flexibility strategies to adhere to our core value: “Pure as Jade, Stern as Mountain.” Meanwhile, we will integrate resources internally and throughout our strategic partners in order to build transient competitive advantage, foster innovation and growth, and providing higher quality service to customers. E.SUN aims to become the most favorite and best choice bank in Taiwan.

E.SUN Bank is the core subsidiary of E.SUN FHC. Named after Taiwan’s highest peak Yushan, E.SUN is committed to making the best bank in Taiwan. E.SUN developed a long term business philosophy of honesty and integrity, as well as a fresh, professional image over the years. This commitment has won the trust and support of customers and the public. As Asia increasingly asserts itself and regional integration gains momentum, E.SUN has established strong root in Taiwan and made footprint into Asia in its third decade. The mission includes strength business and niche in

Taiwan, expand more operational sites in ASEAN, and launch a cross-border financial platform. By developing differentiate, localized financial services, E.SUN aims to become a distinctive bank in Asia.

In 2015, E.SUN FHC set up a record high net income to NT\$12.816 billion, NT\$1.63 per share. ROE and ROA came in at 11.23% and 0.77% respectively. Meanwhile, E.SUN FHC was able to maintain asset quality benign as well. The NPL ratio of 0.13% was supplemented by a 930% loan loss coverage ratio. In terms of the FHC's credit ratings, Moody's kept intact its long/short-term foreign-currency deposit ratings of Baa1/P-2 with a stable outlook.

At the end of 2015, E.SUN Bank's total assets amounted to NT\$1.78 trillion; outstanding balance of all deposits, NT\$1.46 trillion, and those of demand deposits and foreign currency deposits, NT\$670.5 billion and NT\$356.8 billion respectively; and outstanding balance of loans, NT\$1.04 trillion. Total fee income amounted to NT\$15.499 billion, with 19.6% growth. E.SUN enjoy rapid and balance development on all business. When it comes to the credit card business, E.SUN Bank continued to command the highest market share, or 23.74%, in the premium World MasterCard sector. Similarly, the Bank saw its card spending amount increase by NT\$41.2 billion to NT\$252.4 billion, the highest growth rate in the market. Moreover, the Bank not only continued to extend more SME loans than any other private bank in Taiwan but also receive the SME Credit Guarantee Partner Awards for the 10th consecutive year, set up a milestone in the market. In a similar vein, wealth management fee income posted growth in excess of 35% for four consecutive years. The outstanding balance of foreign currency deposits rose by NT\$75.2 billion, with 26.70% growth, while that of unsecured personal loan increased 32% to NT\$87.2billion.

In terms of financial innovation and digital banking, E.SUN successfully acquired a Fintech Company to expand its Fintech development. Also, E.SUN is keen to pioneer changes in cash flow, channel, and marketing in order to provide local businesses and consumers with comprehensive and convenient services. E.SUN lead the market to launch cross-border payment services which enable visitors from mainland China to use mobile wallet to purchase on the Alipay platform. Likewise, the Bank also took the lead to collaborate with Visa to promote E.SUN Wallet, an HCE mobile credit card service. When Gartner held its first awards for innovation in digital banking in 2015, E.SUN received three grand awards, including the Digital Champion in Asiapac Award. E.SUN stood out not only as the biggest winner in the Asia Pacific but also as the only enterprise in Taiwan of such honors.

When it comes to overseas expansion, E.SUN established a total of 21 overseas operational sites among 7 countries, including mainland China, Hong Kong, Singapore, Vietnam, Cambodia, Myanmar,

and Los Angeles. In January 2016, E.SUN's Chinese subsidiary became operational. In March 2016, E.SUN got approval from Central Bank of Myanmar to be the first Taiwanese bank granted with branch license in Maynmar.

As Asia increasingly asserts itself and regional integration and financial technology gain momentum, co-opetition stands out as an ongoing process commonly seen across industries, borders, and the physical and the virtual. For its part, E.SUN has long been committed to growing a double-pronged culture that values both stability and flexibility. This stability is based on a shared vision and common aspirations, a clearly defined value system, and long-term cultivation of manpower. For its flexibility, E.SUN draws from precise strategies, execution, and optimal allocation of resources.

Honoring corporate social responsibility and making the better world are E.SUN's two solid commitments to Taiwan. E.SUN focus on cultivating a distinct corporate culture under humbleness, willingness and feel grateful for accomplishments. Every member of E.SUN is encouraged to act as a volunteer for social engagement. With core competence in the financial services industry as a point of departure, he or she shall take the initiative to inspire people and other businesses to help with various long-term CSR endeavors. E.SUN hopes to inspire more individual and enterprises to follow suit and join a common cause to bring about a virtuous cycle for Taiwan. In 2015, E.SUN became a signatory to the Equator Principles. When it comes to project financing, E.SUN is proactive to work with customers not only to promote economic development but also to advance social and environmental sustainability by leveraging wisdom, strategies, and methods. We will maintain our devotion and implementation of corporate social responsibility at every aspect, including corporate governance, employees, customers, environment, and society. We are set to utilize our capacity for innovation and integration as we strive for sustainability.

E.SUN knows numerous opportunities and challenges will lie ahead as it continues to strive for excellence. We will follow our beliefs and focus on sustainable development. Committed to the long-term value of management, we will combine our core business with corporate social responsibility as promoting innovation and enhancing performance, thereby setting another milestone for Taiwan's financial development. Our gratitude goes to all those who have supported, encouraged, and advised us. We will persist with our efforts toward a brighter future for both customers and the public. Best wishes for everyone in 2016!

Chairman

Yung-Jen Huang

President

San-chou Huang