**Scope of securities day trading will be expanded since June 1st, 2015**

Day trading has been permitted since 2014, and currently components stocks of the Taiwan 50 Index, Taiwan Mid-Cap 100 Index and Taipei Exchange’s TPEx 50 Index are eligible for securities day trading. From June 1st, 2015, besides components stocks of the Taiwan 50 Index, Taiwan Mid-Cap 100 Index and the Taipei Exchange’s TPEx 50 Index, **underlying stocks of warrants (including underlying stocks of warrants allowed to be issued by Class A issuers) announced by the Taiwan Stock Exchange or Taipei Exchange** and **all ETFs listed on the Taiwan Stock Exchange or Taipei Exchange** will also be eligible for day trading.

**1. Method of selection of stocks eligible for warrants issuance**

Selection criteria of stocks eligible for warrants issuance include market value, liquidity and financial status, and are subject to quarterly review in March, June, September and December each year. The eligibility will be effective on the first business day of next month. Adjustments will be made after reviews of quarterly and semiannual reports in mid-May, mid-August and mid-November each year.

2. Effective date of day trading

 (1) Underlying stocks of warrants:

As the selection criteria of stocks eligible for warrants issuance include not only market value and liquidity but also financial status, the deadline to submit financial statements of companies listed on the Taiwan Stock Exchange or Taipei Exchange may be as late as 12 midnight. Considering the processing timeline for publication of all stocks eligible for warrants issuance, from June 1st, 2015 all underlying stocks of warrants will become eligible for day trading on the next business day of the date such stocks become eligible for warrants issuance, except component stocks of the Taiwan 50 Index, Taiwan Mid-Cap 100 Index and Taipei Exchange’s TPEx 50 Index.

For example, when the quarterly adjustment to the third quarter takes effect on July 1st, 2015, stocks eligible for day trading will be determined in accordance with the results of such quarterly adjustment from July 2nd. On July 1st, stocks eligible for day trading will still include stocks eligible for warrants issuance in the previous quarter, with the exception of component stocks of the Taiwan 50 Index, Taiwan Mid-Cap 100 Index and Taipei Exchange’s TPEx 50 Index.

 (2) ETF: Since ETFs are immediately eligible for margin trading once listed on the Taiwan Stock Exchange or Taipei Exchange, investors may offset margin purchases and short sales. Therefore, from June 1st, 2015 all ETFs are eligible for securities day trading, and on the first day new ETFs are listed on the Taiwan Stock Exchange or Taipei Exchange, they are also eligible for securities day trading.