

PRIMASIA SECURITIES COMPANY LIMITED  
BALANCE SHEETS  
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2016		December 31, 2015	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 15,295	-	\$ 16,962	-
Financial assets measured at fair value	6(2) and 8				
through profit or loss - current		1,508,301	32	1,581,334	38
Accounts receivable	6(4)	455,545	10	318,481	8
Prepayments		1,165	-	1,158	-
Other receivables		223	-	35,279	1
Other financial assets - current	7	202	-	202	-
Current income tax assets		9,237	-	7,404	-
Restricted assets - current	6(1) and 8	442,200	9	474,100	12
Other current assets		278	-	26,749	1
<b>Total</b>		<u>2,432,446</u>	<u>51</u>	<u>2,461,669</u>	<u>60</u>
<b>Non-current assets</b>					
Available-for-sale financial assets - non-current	5, 6(2), 7 and 8	1,849,995	39	1,212,356	29
Property and equipment, net	6(5) and 8	212,206	5	217,257	5
Intangible assets, net	6(6)	780	-	1,518	-
Other non-current assets	6(7) and 8	254,959	5	256,501	6
<b>Total</b>		<u>2,317,940</u>	<u>49</u>	<u>1,687,632</u>	<u>40</u>
<b>Total Assets</b>		<u>\$ 4,750,386</u>	<u>100</u>	<u>\$ 4,149,301</u>	<u>100</u>

(Continued)

PRIMASIA SECURITIES COMPANY LIMITED

BALANCE SHEETS

(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2016		December 31, 2015	
		AMOUNT	%	AMOUNT	%
<b>Current liabilities</b>					
Short-term loans	6(8)	\$ 1,157,000	24	\$ 1,084,000	26
Commercial paper payable	6(8)	745,550	16	752,689	18
Accounts payable	6(9)	454,621	10	317,075	8
Other current liabilities		15,173	-	44,399	1
<b>Total</b>		<u>2,372,344</u>	<u>50</u>	<u>2,198,163</u>	<u>53</u>
<b>Non-current liabilities</b>					
Provision for liabilities - non-current	5 and 6(11)	15,907	-	14,847	-
<b>Total Liabilities</b>		<u>2,388,251</u>	<u>50</u>	<u>2,213,010</u>	<u>53</u>
<b>Capital stock</b>	6(13)	1,137,554	24	1,137,554	27
<b>Retained earnings</b>					
Legal reserve	6(13)	111,422	2	111,422	3
Special reserve	6(13)	122,733	3	154,578	4
Accumulated deficit	6(13)	( 167,810)	( 3)	( 31,845)	( 1)
<b>Other equity interest</b>	6(13)	1,158,236	24	564,582	14
<b>Total Equity</b>		<u>2,362,135</u>	<u>50</u>	<u>1,936,291</u>	<u>47</u>
<b>Total liabilities and equity</b>		<u>\$ 4,750,386</u>	<u>100</u>	<u>\$ 4,149,301</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

**PRIMASIA SECURITIES COMPANY LIMITED**  
**STATEMENTS OF COMPREHENSIVE INCOME**

(Expressed in thousands of New Taiwan dollars, except losses per share amount)

Items	Notes	Years ended December 31			
		2016		2015	
		AMOUNT	%	AMOUNT	%
<b>Income</b>					
Brokerage handling fee revenue	7	\$ 41,921	133	\$ 44,968	40
Revenue from underwriting business		152	-	143	-
Net gains on sale of operating securities		-	-	8,729	8
Interest revenue		29,086	92	29,965	27
Dividend revenue		14,012	44	8,665	8
Net (losses) gains on operating securities measured at fair value through profit or loss		( 65,542)	( 207)	40,388	36
Futures commission revenue		314	1	2	-
Net gains on derivative instruments-futures		-	-	6,016	5
Net losses on derivative instruments-counter	12	( 52,218)	( 165)	( 27,872)	( 25)
Other operating revenue		635	2	1,049	1
		<u>( 31,640)</u>	<u>( 100)</u>	<u>112,053</u>	<u>100</u>
<b>Expenses</b>					
Brokerage handling fee expenses		( 3,711)	( 12)	( 4,258)	( 4)
Proprietary handling fee expenses		( 4)	-	( 105)	-
Finance costs		( 32,018)	( 101)	( 31,193)	( 28)
Clearing and settlement expenses		-	-	( 55)	-
Employee benefit expenses	6(15) and 7	( 93,138)	( 294)	( 89,865)	( 80)
Depreciation and amortization expenses	6(16)	( 6,454)	( 21)	( 7,313)	( 7)
Other operating expenses	7	( 41,151)	( 130)	( 50,311)	( 45)
		<u>( 176,476)</u>	<u>( 558)</u>	<u>( 183,100)</u>	<u>( 164)</u>
<b>Non-operating income and expenses</b>					
Other income and expenses, net	6(17) and 7	42,277	134	41,836	37
<b>Loss from continuing operations before income tax</b>					
Income tax expense	6(12)	( 165,839)	( 524)	( 29,211)	( 27)
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net loss</b>					
		<u>( 165,839)</u>	<u>( 524)</u>	<u>( 29,211)</u>	<u>( 27)</u>
<b>Other comprehensive income :</b>					
<b>Items that will not be reclassified subsequently to profit or loss :</b>					
Remeasurement of net defined benefit plans		( 1,971)	( 6)	( 2,634)	( 2)
<b>Items that may be reclassified subsequently to profit or loss :</b>					
Unrealized gain on available-for-sale financial assets		593,654	1876	71,870	64
<b>Other comprehensive income (net amount after tax)</b>					
		<u>591,683</u>	<u>1870</u>	<u>69,236</u>	<u>62</u>
<b>Total comprehensive income</b>					
		<u>\$ 425,844</u>	<u>1346</u>	<u>\$ 40,025</u>	<u>35</u>
<b>Basic losses per share (in New Taiwan dollars)</b>					
	6(14)	<u>(\$ 1.46)</u>		<u>(\$ 0.26)</u>	

The accompanying notes are an integral part of these financial statements.

PRIMASIA SECURITIES COMPANY LIMITED  
STATEMENTS OF CHANGES IN EQUITY  
(Expressed in thousands of New Taiwan dollars)

	<u>Retained Earnings</u>			<u>Other equity interest</u>		
	<u>Capital stock</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Accumulated deficit</u>	<u>Unrealized gain on available-for-sale financial assets</u>	<u>Total equity</u>
<u>Year ended December 31, 2015</u>						
Balance at January 1, 2015	\$ 1,137,554	\$ 111,422	\$ 188,786	(\$ 34,208)	\$ 492,712	\$ 1,896,266
Appropriation and distribution of earnings:						
Special reserve used to cover accumulated deficit	-	-	( 34,208)	34,208	-	-
Net loss for 2015	-	-	-	( 29,211)	-	( 29,211)
Other comprehensive income for 2015	-	-	-	( 2,634)	71,870	69,236
Balance at December 31, 2015	<u>\$ 1,137,554</u>	<u>\$ 111,422</u>	<u>\$ 154,578</u>	<u>(\$ 31,845)</u>	<u>\$ 564,582</u>	<u>\$ 1,936,291</u>
<u>Year ended December 31, 2016</u>						
Balance at January 1, 2016	\$ 1,137,554	\$ 111,422	\$ 154,578	(\$ 31,845)	\$ 564,582	\$ 1,936,291
Appropriation and distribution of earnings:						
Special reserve used to cover accumulated deficit	-	-	( 31,845)	31,845	-	-
Net loss for 2016	-	-	-	( 165,839)	-	( 165,839)
Other comprehensive income for 2016	-	-	-	( 1,971)	593,654	591,683
Balance at December 31, 2016	<u>\$ 1,137,554</u>	<u>\$ 111,422</u>	<u>\$ 122,733</u>	<u>(\$ 167,810)</u>	<u>\$ 1,158,236</u>	<u>\$ 2,362,135</u>

The accompanying notes are an integral part of these financial statements.

**PRIMASIA SECURITIES COMPANY LIMITED**  
**STATEMENTS OF CASH FLOWS**  
(Expressed in thousands of New Taiwan dollars)

	Years ended December 31	
	2016	2015
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Loss before tax	(\$ 165,839 )	(\$ 29,211 )
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	5,511	5,741
Amortization expense	943	1,572
Net losses (gains) on operating securities measured at fair value through profit or loss	65,542	( 40,388 )
Dividend income	( 49,535 )	( 31,432 )
Interest income	( 33,423 )	( 36,479 )
Interest expense	32,018	31,193
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease (increase) in financial assets measured at fair value through profit or loss	7,491	( 138,409 )
Decrease in customers margin accounts	-	8,885
(Increase) decrease in accounts receivable	( 137,064 )	61,936
Increase in prepayments	( 7 )	( 24 )
Decrease (increase) in other receivables	34,968	( 35,062 )
Decrease (Increase) in restricted assets - current	31,900	( 55,600 )
Decrease (Increase) in other current assets	26,471	( 26,710 )
Decrease in other non-current assets	1,542	31,302
Changes in operating liabilities		
Decrease in futures traders' equity	-	( 8,882 )
Increase (decrease) in accounts payable	137,546	( 61,349 )
(Decrease) increase in other current liabilities	( 29,422 )	26,728
Decrease in provision for liabilities-non-current	( 911 )	( 857 )
Cash outflow generated from operations	( 72,269 )	( 297,046 )
Interest received	33,511	36,540
Interest paid	( 31,822 )	( 30,825 )
Dividend received	49,535	31,432
Income tax paid	( 1,833 )	( 1,039 )
Net cash flows used in operating activities	( 22,878 )	( 260,938 )
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Increase in available-for-sale financial assets	( 43,985 )	( 33,232 )
Acquisition of property and equipment	( 460 )	( 6,780 )
Acquisition of intangible assets	( 205 )	( 1,039 )
Net cash flows used in investing activities	( 44,650 )	( 41,051 )
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>		
Increase in short-term loans	73,000	162,000
(Decrease) increase in commercial paper payable	( 7,139 )	60,216
Net cash flows provided by financing activities	65,861	222,216
Net decrease in cash and cash equivalents	( 1,667 )	( 79,773 )
Cash and cash equivalents at beginning of year	16,962	96,735
Cash and cash equivalents at end of year	<u>\$ 15,295</u>	<u>\$ 16,962</u>

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