

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

Assets	Notes	December 31, 2017		December 31, 2016	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 17,416	1	\$ 15,295	-
Financial assets measured at fair value	6(2) and 8				
through profit or loss - current		1,359,362	25	1,508,301	32
Available-for-sale financial assets -	5, 6(2) and 8				
current		640,333	12	-	-
Accounts receivable	6(4)	605,580	11	455,545	10
Prepayments		758	-	1,165	-
Other receivables		642	-	223	-
Other financial assets - current	7	202	-	202	-
Current income tax assets		3,513	-	9,237	-
Restricted assets - current	6(1) and 8	433,500	8	442,200	9
Other current assets		9,436	-	278	-
Total		<u>3,070,742</u>	<u>57</u>	<u>2,432,446</u>	<u>51</u>
Non-current assets					
Available-for-sale financial assets - non-	5, 6(2), 7 and 8				
current		1,866,203	34	1,849,995	39
Property and equipment, net	6(5) and 8	208,535	4	212,206	5
Intangible assets, net	6(6)	741	-	780	-
Other non-current assets	6(7) and 8	256,284	5	254,959	5
Total		<u>2,331,763</u>	<u>43</u>	<u>2,317,940</u>	<u>49</u>
Total Assets		<u>\$ 5,402,505</u>	<u>100</u>	<u>\$ 4,750,386</u>	<u>100</u>

(Continued)

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

Liabilities and Equity	Notes	December 31, 2017		December 31, 2016	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term loans	6(8)	\$ 1,445,800	27	\$ 1,157,000	24
Commercial paper payable	6(8)	636,724	12	745,550	16
Accounts payable	6(9)	487,388	9	454,621	10
Other current liabilities		39,412	1	15,173	-
Total		<u>2,609,324</u>	<u>49</u>	<u>2,372,344</u>	<u>50</u>
Non-current liabilities					
Provision for liabilities - non-current	5 and 6(11)	14,906	-	15,907	-
Total Liabilities		<u>2,624,230</u>	<u>49</u>	<u>2,388,251</u>	<u>50</u>
Capital stock	6(13)	1,137,554	21	1,137,554	24
Retained earnings					
Legal reserve	6(13)	66,345	1	111,422	2
Special reserve	6(13)	-	-	122,733	3
Accumulated earnings (deficit)	6(13)	44,901	1	(167,810)	(3)
Other equity interest	6(13)	<u>1,529,475</u>	<u>28</u>	<u>1,158,236</u>	<u>24</u>
Total Equity		<u>2,778,275</u>	<u>51</u>	<u>2,362,135</u>	<u>50</u>
Total liabilities and equity		<u>\$ 5,402,505</u>	<u>100</u>	<u>\$ 4,750,386</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 earnings (losses) per share amount)

Items	Notes	Year ended December 31			
		2017		2016	
		AMOUNT	%	AMOUNT	%
Income					
Brokerage handling fee revenue	7	\$ 50,308	25	\$ 41,921	132
Revenue from underwriting business		2,393	1	152	1
Net gains on sale of operating securities		69,890	35	-	-
Interest revenue		30,549	15	29,086	92
Dividend revenue		5,825	3	14,012	44
Net gains (losses) on operating securities measured at fair value through profit or loss		15,068	8 (	65,542) (	207)
Futures commission revenue		351	-	314	1
Net gains (losses) on derivative instruments - counter	12	22,510	11 (	52,218) (	165)
Other operating revenue		2,697	2	624	2
		<u>199,591</u>	<u>100</u> (	<u>31,651)</u> (	<u>100)</u>
Expenses					
Brokerage handling fee expenses		(4,808) (	2) (	3,711) (	12)
Proprietary handling fee expenses		(31) (	- (	4) (-
Underwriting charges - refinancing		(1) (- (- (-
Finance costs		(36,343) (	18) (	32,018) (	101)
Employee benefit expenses	6(15) and 7	(108,962) (	55) (	93,138) (	294)
Depreciation and amortization expenses	6(16)	(5,726) (	3) (	6,454) (	21)
Other operating expenses	7	(41,960) (	21) (	41,151) (	130)
		<u>(197,831)</u> (	<u>99)</u> (	<u>176,476)</u> (	<u>558)</u>
Non-operating income and expenses					
Other income and expenses, net	6(17) and 7	43,125	22	42,288	134
Income (loss) from continuing operations before income tax					
		44,885	23 (	165,839) (	524)
Income tax expense	6(12)	-	-	-	-
Net income (loss)		<u>\$ 44,885</u>	<u>23</u> (	<u>\$ 165,839)</u> (	<u>524)</u>
Other comprehensive income :					
Items that will not be reclassified subsequently to profit or loss :					
Remeasurement of net defined benefit plans		\$ 16	- (	\$ 1,971) (	6)
Items that may be reclassified subsequently to profit or loss :					
Unrealised gain on available-for-sale financial assets		371,239	186	593,654	1875
Other comprehensive income (net amount after tax)		<u>\$ 371,255</u>	<u>186</u>	<u>\$ 591,683</u>	<u>1869</u>
Total comprehensive income		<u>\$ 416,140</u>	<u>209</u>	<u>\$ 425,844</u>	<u>1345</u>
Basic earnings (losses) per share (in New Taiwan dollars)					
	6(14)	\$	0.39 (\$	1.46)

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

	Retained Earnings			Accumulated earnings (deficit)	Other equity interest	Total equity
	Capital stock	Legal reserve	Special reserve		Unrealised gain on available-for-sale financial assets	
<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 prior year's 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>
<u>Year ended December 31, 2017</u>						
Balance at January 1, 2017	\$ 1,137,554	\$ 111,422	\$ 122,733	(\$ 167,810)	\$ 1,158,236	\$ 2,362,135
Appropriation and distribution of prior year's earnings:						
Legal reserve used to cover accumulated deficit	-	(45,077)	-	45,077	-	-
Special reserve used to cover accumulated deficit	-	-	(122,733)	122,733	-	-
Net income for 2017	-	-	-	44,885	-	44,885
Other comprehensive income for 2017	-	-	-	16	371,239	371,255
Balance at December 31, 2017	<u>\$ 1,137,554</u>	<u>\$ 66,345</u>	<u>\$ -</u>	<u>\$ 44,901</u>	<u>\$ 1,529,475</u>	<u>\$ 2,778,275</u>

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

	Years ended December 31	
	2017	2016
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Income (loss) before tax	\$ 44,885	(\$ 165,839)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	5,019	5,511
Amortization expense	707	943
Net (gains) losses on operating securities measured at fair value through profit or loss	(15,068)	65,542
Dividend income	(41,884)	(49,535)
Interest income	(34,295)	(33,423)
Interest expense	36,343	32,018
Gain on disposal of property and equipment	(331)	-
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in financial assets measured at fair value through profit or loss	164,007	7,491
Increase in accounts receivable	(150,035)	(137,064)
Decrease (increase) in prepayments	407	(7)
(Increase) decrease in other receivables	(424)	34,968
Decrease in restricted assets - current	8,700	31,900
(Increase) decrease in other current assets	(9,158)	26,471
(Increase) decrease in other non-current assets	(1,325)	1,542
Changes in operating liabilities		
Increase in accounts payable	32,767	137,546
Increase (decrease) in other current liabilities	24,332	(29,422)
Decrease in provision for liabilities-non-current	(985)	(911)
Cash inflow (outflow) generated from operations	63,662	(72,269)
Interest received	34,300	33,511
Interest paid	(36,436)	(31,822)
Dividend received	41,884	49,535
Income tax refundable (paid)	5,724	(1,833)
Net cash flows generated from (used in) operating activities	<u>109,134</u>	<u>(22,878)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Acquisition of available-for-sale financial assets	(285,302)	(43,985)
Acquisition of property and equipment	(1,348)	(460)
Proceeds from disposal of property and equipment	331	-
Acquisition of intangible assets	(668)	(205)
Net cash flows used in investing activities	<u>(286,987)</u>	<u>(44,650)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Increase in short-term loans	288,800	73,000
Decrease in commercial paper payable	(108,826)	(7,139)
Net cash flows from financing activities	<u>179,974</u>	<u>65,861</u>
Net increase (decrease) in cash and cash equivalents	2,121	(1,667)
Cash and cash equivalents at beginning of year	<u>15,295</u>	<u>16,962</u>
Cash and cash equivalents at end of year	<u>\$ 17,416</u>	<u>\$ 15,295</u>

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