

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

Assets	Notes	December 31, 2018		December 31, 2017	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 104,267	2	\$ 17,416	1
Financial assets at fair value through profit or loss – current	6(2), 8 and 12(9)	1,300,947	25	1,359,362	25
Available-for-sale financial assets – current	8 and 12(9)	-	-	640,333	12
Accounts receivable	6(4)	611,947	12	605,580	11
Prepayments		41,521	1	758	-
Other receivables		168	-	642	-
Other financial assets – current	7	4,665	-	202	-
Current income tax assets		3,141	-	3,513	-
Restricted assets – current	6(1) and 8	377,200	8	433,500	8
Other current assets		96	-	9,436	-
<b>Total</b>		<u>2,443,952</u>	<u>48</u>	<u>3,070,742</u>	<u>57</u>
<b>Non-current assets</b>					
Financial assets at fair value through other comprehensive income – non-current	6(2) and 8	2,207,781	43	-	-
Available-for-sale financial assets – non-current	8 and 12(9)	-	-	1,866,203	34
Property and equipment, net	6(5) and 8	208,461	4	208,535	4
Intangible assets, net	6(6)	924	-	741	-
Other non-current assets	6(3)(7) and 8	272,837	5	256,284	5
<b>Total</b>		<u>2,690,003</u>	<u>52</u>	<u>2,331,763</u>	<u>43</u>
<b>Total Assets</b>		<u>\$ 5,133,955</u>	<u>100</u>	<u>\$ 5,402,505</u>	<u>100</u>

(Continued)

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

<u>Liabilities and Equity</u>	<u>Notes</u>	<u>December 31, 2018</u>		<u>December 31, 2017</u>	
		<u>AMOUNT</u>	<u>%</u>	<u>AMOUNT</u>	<u>%</u>
<b>Current liabilities</b>					
Short-term loans	6(8)	\$ 995,000	19	\$ 1,445,800	27
Commercial paper payable	6(8)	567,747	11	636,724	12
Notes payable		140	-	-	-
Accounts payable	6(9)	610,629	12	487,388	9
Other current liabilities		24,280	1	39,412	1
<b>Total</b>		<u>2,197,796</u>	<u>43</u>	<u>2,609,324</u>	<u>49</u>
<b>Non-current liabilities</b>					
Provision for liabilities – non-current	6(11)	15,256	-	14,906	-
<b>Total Liabilities</b>		<u>2,213,052</u>	<u>43</u>	<u>2,624,230</u>	<u>49</u>
<b>Equity</b>					
<b>Capital stock</b>	6(13)	1,137,554	22	1,137,554	21
<b>Retained earnings</b>					
Legal reserve	6(13)	70,834	2	66,345	1
Special reserve	6(13)	9,201	-	-	-
Accumulated earnings	6(13)	363,398	7	44,901	1
<b>Other equity interest</b>	6(13)	1,339,916	26	1,529,475	28
<b>Total Equity</b>		<u>2,920,903</u>	<u>57</u>	<u>2,778,275</u>	<u>51</u>
<b>Total liabilities and equity</b>		<u>\$ 5,133,955</u>	<u>100</u>	<u>\$ 5,402,505</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	Years ended December 31			
		2018		2017	
		AMOUNT	%	AMOUNT	%
<b>Income</b>					
Brokerage handling fee revenue	7	\$ 66,638	118	\$ 50,308	25
Revenue from underwriting business		2,435	4	2,393	1
Net gains on sale of operating securities	6(2)	108,154	191	69,890	35
Interest revenue		30,686	54	30,549	15
Dividend revenue		-	-	5,825	3
Net (losses) gains on operating securities measured at fair value through profit or loss	6(2)	( 133,747)	( 236)	15,068	8
Futures commission revenue		330	1	351	-
Net (losses) gains on derivative instruments – counter	12(5)	( 21,903)	( 39)	22,510	11
Other operating revenue		4,043	7	2,697	2
		<u>56,636</u>	<u>100</u>	<u>199,591</u>	<u>100</u>
<b>Expenses</b>					
Brokerage handling fee expenses		( 5,915)	( 10)	( 4,808)	( 2)
Proprietary handling fee expenses		( 124)	-	( 31)	-
Underwriting charges – refinancing		-	-	( 1)	-
Finance costs		( 28,657)	( 51)	( 36,343)	( 18)
Employee benefit expenses	6(15) and 7	( 106,287)	( 188)	( 108,962)	( 55)
Depreciation and amortisation expenses	6(16)	( 5,204)	( 9)	( 5,726)	( 3)
Other operating expenses	7	( 48,058)	( 85)	( 41,960)	( 21)
		<u>( 194,245)</u>	<u>( 343)</u>	<u>( 197,831)</u>	<u>( 99)</u>
<b>Non-operating income and expenses</b>					
Other income and expenses, net	6(17) and 7	130,344	230	43,125	22
<b>(Loss) income from continuing operations before income tax</b>					
		( 7,265)	( 13)	44,885	23
Income tax expense	6(12)	-	-	-	-
<b>Net (loss) income</b>		<u>( 7,265)</u>	<u>( 13)</u>	<u>44,885</u>	<u>23</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		( 1,510)	( 2)	16	-
Unrealised gain on valuation of investments in equity instruments measured at fair value through other comprehensive income		151,403	267	-	-
<b>Items that may be reclassified subsequently to profit or loss</b>					
Unrealised gain on available-for-sale financial assets		-	-	371,239	186
<b>Other comprehensive income (net amount after tax)</b>		<u>149,893</u>	<u>265</u>	<u>371,255</u>	<u>186</u>
<b>Total comprehensive income</b>		<u>\$ 142,628</u>	<u>252</u>	<u>\$ 416,140</u>	<u>209</u>
<b>Basic (losses) earnings per share (in New Taiwan dollars)</b>					
	6(14)	( \$	0.06)	\$	0.39

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>Total equity</u>
	<u>Capital stock</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Accumulated earnings (deficit)</u>	<u>Unrealised gain on financial assets measured at fair value through other comprehensive income</u>	<u>Unrealised gain on available-for-sale financial assets</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
Net income	-	-	-	44,885	-	-	44,885
Other comprehensive income	-	-	-	16	-	371,239	371,255
Total comprehensive income	-	-	-	44,901	-	371,239	416,140
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	-	-	-
Balance at December 31, 2017	<u>\$ 1,137,554</u>	<u>\$ 66,345</u>	<u>\$ -</u>	<u>\$ 44,901</u>	<u>\$ -</u>	<u>\$ 1,529,475</u>	<u>\$ 2,778,275</u>
<u>Year ended December 31, 2018</u>							
Balance at January 1, 2018	\$ 1,137,554	\$ 66,345	\$ -	\$ 44,901	\$ -	\$ 1,529,475	\$ 2,778,275
Effects of retrospective application and retrospective restatement	-	-	-	340,962	1,188,513	( 1,529,475)	-
Balance at January 1, 2018 after adjustments	<u>1,137,554</u>	<u>66,345</u>	<u>-</u>	<u>385,863</u>	<u>1,188,513</u>	<u>-</u>	<u>2,778,275</u>
Net loss	-	-	-	( 7,265)	-	-	( 7,265)
Other comprehensive income (loss)	-	-	-	( 1,510)	151,403	-	149,893
Total comprehensive income (loss)	-	-	-	( 8,775)	151,403	-	142,628
Appropriation and distribution of prior year's earnings:							
Legal reserve	-	4,489	-	( 4,489)	-	-	-
Special reserve	-	-	9,201	( 9,201)	-	-	-
Balance at December 31, 2018	<u>\$ 1,137,554</u>	<u>\$ 70,834</u>	<u>\$ 9,201</u>	<u>\$ 363,398</u>	<u>\$ 1,339,916</u>	<u>\$ -</u>	<u>\$ 2,920,903</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	
	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss) profit before tax	(\$ 7,265 )	\$ 44,885
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	4,793	5,019
Amortisation expense	411	707
Net losses (gains) on operating securities measured at fair value through profit or loss	126,046 (	15,068 )
Dividend income	( 83,270 ) (	41,884 )
Interest income	( 34,385 ) (	34,295 )
Interest expense	28,657	36,343
Gain on disposal of investments	( 28,340 )	-
Gain on disposal of property and equipment	( 3,640 ) (	331 )
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in financial assets at fair value through profit or loss	190,382	164,007
Increase in accounts receivable	( 6,367 ) (	150,035 )
(Increase) decrease in prepayments	( 40,763 )	407
Decrease (increase) in other receivables	472 (	424 )
Increase in other financial assets – current	( 4,463 )	-
Decrease in restricted assets – current	56,300	8,700
Decrease (increase) in other current assets	9,340 (	9,158 )
Increase in other non-current assets	( 16,553 ) (	1,325 )
Changes in operating liabilities		
Increase in notes payable	140	-
Increase in accounts payable	123,241	32,767
(Decrease) increase in other current liabilities	( 14,591 )	24,332
Decrease in provision for liabilities – non-current	( 1,160 )	( 985 )
Cash inflow generated from operations	298,985	63,662
Interest received	34,387	34,300
Interest paid	( 29,198 ) (	36,436 )
Dividend received	83,270	41,884
Income tax refundable	372	5,724
Net cash flows from operating activities	<u>387,816</u>	<u>109,134</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of financial assets at fair value through profit or loss	410,660	-
Acquisition of available-for-sale financial assets	-	( 285,302 )
Acquisition of financial assets at fair value through other comprehensive income	( 190,175 )	-
Acquisition of property and equipment	( 5,675 ) (	1,348 )
Proceeds from disposal of property and equipment	4,596	331
Acquisition of intangible assets	( 594 )	( 668 )
Net cash flows from (used in) investing activities	<u>218,812</u>	<u>( 286,987 )</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
(Decrease) increase in short-term loans	( 450,800 )	288,800
Decrease in commercial paper payable	( 68,977 )	( 108,826 )
Net cash flows (used in) from financing activities	<u>( 519,777 )</u>	<u>179,974</u>
Net increase in cash and cash equivalents	86,851	2,121
Cash and cash equivalents at beginning of year	17,416	15,295
Cash and cash equivalents at end of year	<u>\$ 104,267</u>	<u>\$ 17,416</u>

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