

PRIMASIA SECURITIES COMPANY LIMITED
BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Assets	Notes	December 31, 2019		December 31, 2018	
		AMOUNT	%	AMOUNT	%
Current assets					
Cash and cash equivalents	6(1)	\$ 38,407	1	\$ 104,267	2
Financial assets at fair value through profit or loss – current	6(2) and 8	1,068,717	20	1,300,947	25
Accounts receivable	6(4)	617,655	12	611,947	12
Prepayments		1,024	-	41,521	1
Other receivables		4,573	-	168	-
Other financial assets – current	7	25,514	1	4,665	-
Current income tax assets		-	-	3,141	-
Restricted assets – current	6(1) and 8	436,000	8	377,200	8
Other current assets		2,087	-	96	-
Total current assets		<u>2,193,977</u>	<u>42</u>	<u>2,443,952</u>	<u>48</u>
Non-current assets					
Financial assets at fair value through other comprehensive income – non-current	6(2) and 8	2,537,267	48	2,207,781	43
Property and equipment, net	6(5) and 8	260,506	5	208,461	4
Right-of-use assets	6(6)	32,655	-	-	-
Intangible assets, net	6(7)	93,730	2	924	-
Other non-current assets	6(3)(8) and 8	162,023	3	272,837	5
Total non-current assets		<u>3,086,181</u>	<u>58</u>	<u>2,690,003</u>	<u>52</u>
Total Assets		<u>\$ 5,280,158</u>	<u>100</u>	<u>\$ 5,133,955</u>	<u>100</u>

(Continued)

PRIMASIA SECURITIES COMPANY LIMITED
BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity	Notes	December 31, 2019		December 31, 2018	
		AMOUNT	%	AMOUNT	%
Current liabilities					
Short-term loans	6(9)	\$ 736,000	14	\$ 995,000	19
Commercial paper payable	6(9)	457,841	8	567,747	11
Notes payable		-	-	140	-
Accounts payable	6(10)	616,442	12	610,629	12
Current income tax liabilities		1,543	-	-	-
Lease liabilities – current		3,585	-	-	-
Other current liabilities		44,519	1	24,280	1
Total current liabilities		<u>1,859,930</u>	<u>35</u>	<u>2,197,796</u>	<u>43</u>
Non-current liabilities					
Long-term borrowings	6(12)	350,000	7	-	-
Provision for liabilities – non-current	6(11)	14,946	-	15,256	-
Lease liabilities – non-current		29,438	1	-	-
Total non-current liabilities		<u>394,384</u>	<u>8</u>	<u>15,256</u>	<u>-</u>
Total Liabilities		<u>2,254,314</u>	<u>43</u>	<u>2,213,052</u>	<u>43</u>
Equity					
Capital stock	6(14)	1,137,554	21	1,137,554	22
Retained earnings					
Legal reserve	6(14)	70,834	1	70,834	2
Special reserve	6(14)	9,201	-	9,201	-
Accumulated earnings	6(14)	141,026	3	363,398	7
Other equity interest	6(14)	<u>1,667,229</u>	<u>32</u>	<u>1,339,916</u>	<u>26</u>
Total Equity		<u>3,025,844</u>	<u>57</u>	<u>2,920,903</u>	<u>57</u>
Total liabilities and equity		<u>\$ 5,280,158</u>	<u>100</u>	<u>\$ 5,133,955</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			
		2019		2018	
		AMOUNT	%	AMOUNT	%
Income					
Brokerage handling fee revenue	7	\$ 108,820	55	\$ 66,638	118
Revenue from underwriting business		3,086	2	2,435	4
Net (losses) gains on sale of operating securities	6(2)	(27,315)	(14)	108,154	191
Interest revenue		27,395	14	30,686	54
Net gains (losses) on operating securities measured at fair value through profit or loss	6(2)	92,162	47	(133,747)	(236)
Futures commission revenue		686	-	330	1
Net losses on derivative instruments – counter	12(5)	(30,176)	(15)	(21,903)	(39)
Other operating revenue		22,743	11	4,043	7
		<u>197,401</u>	<u>100</u>	<u>56,636</u>	<u>100</u>
Expenses					
Brokerage handling fee expenses		(14,289)	(7)	(5,915)	(10)
Proprietary handling fee expenses		(25)	-	(124)	-
Finance costs		(24,677)	(13)	(28,657)	(51)
Employee benefit expenses	6(17) and 7	(154,832)	(78)	(106,287)	(188)
Depreciation and amortisation expenses	6(18)	(24,823)	(13)	(5,204)	(9)
Other operating expenses	7	(63,185)	(32)	(48,058)	(85)
		<u>(281,831)</u>	<u>(143)</u>	<u>(194,245)</u>	<u>(343)</u>
Non-operating income and expenses					
Other income and expenses, net	6(19) and 7	152,502	77	130,344	230
Income (loss) from continuing operations before income tax					
		68,072	34	(7,265)	(13)
Income tax expense	6(13)	(4,784)	(2)	-	-
Net (loss) income					
		<u>\$ 63,288</u>	<u>32</u>	<u>(\$ 7,265)</u>	<u>(13)</u>
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of net defined benefit plans		(\$ 1,272)	(1)	(\$ 1,510)	(2)
Unrealised gain on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(2)	327,313	166	151,403	267
Other comprehensive income (net amount after tax)					
		<u>\$ 326,041</u>	<u>165</u>	<u>\$ 149,893</u>	<u>265</u>
Total comprehensive income					
		<u>\$ 389,329</u>	<u>197</u>	<u>\$ 142,628</u>	<u>252</u>
Basic earnings (losses) per share (in New Taiwan dollars)					
	6(15)	<u>\$</u>	<u>0.56</u>	<u>(\$</u>	<u>0.06)</u>

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

	Retained earnings				Other equity interest		Total equity
	Common stock	Legal reserve	Special reserve	Accumulated earnings (deficit)	Unrealised gain on financial assets measured at fair value through other comprehensive income	Unrealised gain on available-for-sale financial assets	
<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) 6(14)	-	-	-	(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 6(14)	-	4,489	-	(4,489)	-	-	-
Special reserve 6(14)	-	-	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>
<u>Year ended December 31, 2019</u>							
Balance at January 1, 2019	<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>
Net income	-	-	-	63,288	-	-	63,288
Other comprehensive income (loss) 6(14)	-	-	-	(1,272)	327,313	-	326,041
Total comprehensive income (loss)	-	-	-	62,016	327,313	-	389,329
Appropriation and distribution of prior year's earnings:							
Cash dividends 6(14)	-	-	-	(284,388)	-	-	(284,388)
Balance at December 31, 2019	<u>\$ 1,137,554</u>	<u>\$ 70,834</u>	<u>\$ 9,201</u>	<u>\$ 141,026</u>	<u>\$ 1,667,229</u>	<u>\$ -</u>	<u>\$ 3,025,844</u>

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

	Year ended December 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	\$ 68,072	(\$ 7,265)
Adjustments		
Adjustments to reconcile profit (loss)		
Depreciation expense	18,860	4,793
Amortisation expense	5,963	411
Net (gains) losses on operating securities measured at fair value through profit or loss	(100,642)	126,046
Dividend income	(82,953)	(83,270)
Interest income	(30,882)	(34,385)
Interest expense	24,677	28,657
Gain on disposal of investments	(29,204)	(28,340)
Gain on disposal of property and equipment	(1,406)	(3,640)
Changes in operating assets and liabilities		
Changes in operating assets		
Decrease in financial assets at fair value through profit or loss	310,976	190,382
Increase in accounts receivable	(5,708)	(6,367)
Decrease(increase) in prepayments	40,497	(40,763)
(Increase) decrease in other receivables	(4,686)	472
Increase in other financial assets – current	(20,849)	(4,463)
(Increase) decrease in restricted assets – current	(58,800)	56,300
(Increase) decrease in other current assets	(1,991)	9,340
Decrease (increase) in other non-current assets	110,814	(16,553)
Changes in operating liabilities		
(Decrease) increase in notes payable	(140)	140
Increase in accounts payable	5,813	123,241
Increase (decrease) in other current liabilities	21,232	(14,591)
Decrease in provision for liabilities – non-current	(1,582)	(1,160)
Cash inflow generated from operations	268,061	298,985
Interest received	31,163	34,387
Interest paid	(25,692)	(29,198)
Dividend received	82,953	83,270
Income taxes refundable	-	372
Income taxes paid	(100)	-
Net cash flows from operating activities	<u>356,385</u>	<u>387,816</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through profit or loss	51,100	410,660
Acquisition of financial assets at fair value through other comprehensive income	(2,173)	(190,175)
Acquisition of property and equipment	(58,525)	(5,675)
Proceeds from disposal of property and equipment	1,630	4,596
Acquisition of intangible assets	(98,769)	(594)
Net cash flows (used in) from investing activities	<u>(106,737)</u>	<u>218,812</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in short-term loans	91,000	(450,800)
Decrease in commercial paper payable	(109,906)	(68,977)
Repayments of principal portion of lease liabilities	(12,214)	-
Cash dividends paid	(284,388)	-
Net cash flows used in financing activities	<u>(315,508)</u>	<u>(519,777)</u>
Net (decrease) increase in cash and cash equivalents	(65,860)	86,851
Cash and cash equivalents at beginning of year	104,267	17,416
Cash and cash equivalents at end of year	<u>\$ 38,407</u>	<u>\$ 104,267</u>

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