

**PRIMASIA SECURITIES CO., LTD.**  
Balance Sheets

December 31, 2013 and December 31 and January 1, 2012  
(expressed in thousands of New Taiwan dollars)

Assets	December 31, 2013		December 31, 2012		January 1, 2012		Liabilities and equity	December 31, 2013		December 31, 2012		January 1, 2012	
	Amount	%	Amount	%	Amount	%		Amount	%	Amount	%	Amount	%
<b>Current assets :</b>							<b>Current liabilities:</b>						
Cash and cash equivalents (notes 6(A), (S) and (T))	\$ 120,598	3	223,191	6	114,456	4	Short-term loans (notes 6(J) and (S))	\$ 814,000	21	833,000	23	774,000	25
Financial assets measured at fair value through profit or loss-current (notes 6(B), (S), (T) and 8)	1,415,374	37	1,401,808	40	1,024,365	35	Commercial paper payable (notes 6(I) and (S))	738,360	19	459,558	13	409,545	14
Customers margin accounts (notes 6(C), (S) and (T))	10,311	-	11,094	-	11,561	-	Financial liabilities measured at fair value through profit or loss-current (notes 6(B), (S) and (T))	-	-	12,720	-	15,743	1
Accounts receivable (notes 6(E), (S) and (T))	397,008	10	268,018	7	187,579	6	Future traders' equity (notes 6(K) and (S))	10,308	-	11,090	-	11,557	-
Prepayments	1,330	-	1,612	-	1,942	-	Notes payable (note 6(S))	-	-	109	-	560	-
Other receivables (notes 6(S) and (T))	114,020	3	262	-	953	-	Accounts payable (notes 6(L) and (S))	371,746	10	327,590	9	186,335	6
Other financial assets-current (notes 6(S), (T) and 7)	3,026	-	4,345	-	10,616	-	Current income tax liabilities	-	-	-	-	8,820	-
Current income tax assets (notes 6 (S) and (T))	3,849	-	1,506	-	571	-	Other current liabilities (notes 6(S))	31,009	1	86,760	2	30,069	1
Restricted assets-current (note 6 (A), (S), (T) and 8)	418,500	11	418,500	12	403,500	13		1,965,423	51	1,730,827	47	1,436,622	47
Other current assets	4,873	-	87	-	80	-	<b>Non-current liabilities:</b>						
	2,468,889	64	2,330,423	65	1,759,623	58	Provision for liabilities-non-current (notes 5 and 6(N))	12,659	-	13,630	-	14,207	-
<b>Non-current assets :</b>							Guarantee deposits received (notes 6(S))	-	-	-	-	236	-
Financial assets measured at cost-non-current (notes 6(B) and (S))	2,400	-	2,400	-	2,400	-		12,659	-	13,630	-	14,443	-
Available-for-sale financial assets-non-current (notes 6(B) and (S))	958,318	25	845,379	24	648,261	22	<b>Total liabilities</b>	1,978,082	51	1,744,457	47	1,451,072	47
Property and equipment (notes 6 (F), 7 and 8)	216,285	-	218,991	6	296,676	10	<b>Equity:</b>						
Investment property (notes 6(G), 7 and 8)	-	-	-	-	114,673	4	Capital stock (note 6(P))	1,137,554	30	1,137,554	32	1,137,554	38
Intangible assets (note 6(H))	1,260	-	2,492	-	2,949	-	Retained earnings:						
Other non-current assets (notes 6(I), (S), (T) and 8)	174,822	5	185,021	5	186,353	6	Legal reserve (note 6(P))	111,422	3	111,422	3	111,422	4
	1,353,085	36	1,254,283	35	1,251,312	42	Special reserve (note 6(P'))	242,024	6	58,323	2	468,701	16
							Unappropriated earnings (Accumulated deficit) (note 6(O) and (P))	(53,238)	(1)	179,473	6	(414,253)	(14)
							Unrealized gain on available-for-sale financial assets(note 6(P'))	426,130	11	353,477	10	256,439	9
							Total equity	1,863,892	49	1,840,249	53	1,559,863	53
<b>Total assets</b>	<b>\$ 3,841,974</b>	<b>100</b>	<b>3,584,706</b>	<b>100</b>	<b>3,010,935</b>	<b>100</b>	<b>Total liabilities and equity</b>	<b>\$ 3,841,974</b>	<b>100</b>	<b>3,584,706</b>	<b>100</b>	<b>3,010,935</b>	<b>100</b>

The accompanying notes are an integral part of the financial report.

**PRIMASIA SECURITIES CO., LTD.**  
**Statements Of Comprehensive Income**  
**For the years ended December 31, 2013 and 2012**  
(expressed in thousands of New Taiwan dollars except for earnings per share)

	<u>For the year ended December 31, 2013</u>		<u>For the year ended December 31, 2012</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Income:</b>				
Brokerage handling fee revenue (note 7)	\$ 31,911	38	31,373	20
Revenue from underwriting business	91	-	73	-
Net gains (losses) on sale of operating securities	35,130	42	(17,494)	(11)
Interest revenue	19,755	23	8,533	5
Dividend revenue	144	-	5,800	4
Net gains (losses) on operating securities measured at fair value through profit or loss	(20,251)	(24)	138,447	90
Net gains on derivative instruments-futures (note 6(T))	12,199	15	2,600	2
Net gains (losses) on derivative instruments-counter (note 6(T))	4,255	5	(17,387)	(11)
Other operating revenue	<u>848</u>	<u>1</u>	<u>991</u>	<u>1</u>
	<u>84,082</u>	<u>100</u>	<u>152,936</u>	<u>100</u>
<b>Expenses:</b>				
Brokerage handling fee expenses	(3,310)	(4)	(2,846)	(2)
Proprietary handling fee expenses	(121)	-	(228)	-
Finance costs	(27,644)	(33)	(24,277)	(16)
Clearing and settlement expenses	(56)	-	(60)	-
Employee benefit expenses	(82,750)	(98)	(140,793)	(92)
Depreciation and amortization expenses	(7,687)	(9)	(12,778)	(8)
Other operating expenses (note 7)	<u>(45,287)</u>	<u>(54)</u>	<u>(50,321)</u>	<u>(33)</u>
	<u>(166,855)</u>	<u>(198)</u>	<u>(231,303)</u>	<u>(151)</u>
<b>Non-operating income and expenses :</b>				
Other income and expenses, net (note 6(R) and 7)	<u>33,621</u>	<u>40</u>	<u>263,910</u>	<u>172</u>
	<u>33,621</u>	<u>40</u>	<u>263,910</u>	<u>172</u>
<b>Net income (loss) from continuing operations before income tax</b>	<u>(49,152)</u>	<u>(58)</u>	<u>185,543</u>	<u>121</u>
<b>Income tax expenses (note 6(O))</b>	<u>-</u>	<u>-</u>	<u>(1,841)</u>	<u>(1)</u>
<b>Net income (loss)</b>	<u>(49,152)</u>	<u>(58)</u>	<u>183,702</u>	<u>120</u>
<b>Other comprehensive income :</b>				
Unrealized gain on available-for-sale financial assets (note 6(P))	72,653	86	97,038	63
Actuarial gains (losses) on defined benefit plans (note 6(N))	<u>142</u>	<u>-</u>	<u>(354)</u>	<u>-</u>
<b>Other comprehensive income (net amount after tax)</b>	<u>72,795</u>	<u>86</u>	<u>96,684</u>	<u>63</u>
<b>Total comprehensive income</b>	<u>\$ 23,643</u>	<u>28</u>	<u>280,386</u>	<u>183</u>
<b>Basic earnings per share (note 6(Q))</b>	<u>\$</u>	<u>(0.43)</u>	<u>1.61</u>	

The accompanying notes are an integral part of the financial report.

**PRIMASIA SECURITIES CO., LTD.**  
**Statements of Equity Changes**  
**For the years ended December 31, 2013 and 2012**  
**(expressed in thousands of New Taiwan dollars)**

	Reserves and unappropriated earnings (Accumulated deficit)				Unrealized gain on available-for-sale financial assets	Total equity
	Common stock	Legal reserve	Special reserve	Unappropriated earnings (Accumulated deficit)		
<b>Balance at January 1, 2012</b>	\$ 1,137,554	111,422	468,701	(414,253)	256,439	1,559,863
Net income for the year ended December 31, 2012	-	-	-	183,702	-	183,702
Other comprehensive income for the year ended December 31, 2012	-	-	-	(354)	97,038	96,684
<b>Total comprehensive income for the year ended December 31, 2012</b>	-	-	-	183,348	97,038	280,386
Special reserve used to cover accumulated deficit (note 6(P))	-	-	(410,378)	410,378	-	-
<b>Balance at December 31, 2012</b>	1,137,554	111,422	58,323	179,473	353,477	1,840,249
Net loss for the year ended December 31, 2013	-	-	-	(49,152)	-	(49,152)
Other comprehensive income for the year ended December 31, 2013	-	-	-	142	72,653	72,795
<b>Total comprehensive income for the year ended December 31, 2013</b>	-	-	-	(49,010)	72,653	23,643
<b>Appropriation and distribution of earnings:</b>						
Legal Reserve	-	18,370	-	(18,370)	-	-
Special reserve	-	-	36,740	(36,740)	-	-
Cash Dividend	-	-	-	(113,755)	-	(113,755)
Amendment of special reserve used to cover accumulated deficit (note 6(P))	-	-	183,701	(183,701)	-	-
Cancellation of earnings distributed (note 6(P))	-	(18,370)	(36,740)	168,865	-	113,755
<b>Balance at December 31, 2013</b>	<b>\$ 1,137,554</b>	<b>111,422</b>	<b>242,024</b>	<b>(53,238)</b>	<b>426,130</b>	<b>1,863,892</b>

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

**PRIMASIA SECURITIES CO., LTD.**  
**Statements of Cash Flows**  
**For the years ended December 31, 2013 and 2012**  
(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31, 2013	For the year ended December 31, 2012
Cash flows from operating activities :		
Net income (loss) before tax	\$ (49,152)	185,543
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Income and expenses items with no effect on cash flow :		
Depreciation expenses	6,131	11,073
Amortization expenses	1,556	1,705
Depreciation expenses of investment property	-	2,865
Gains on disposals of property and equipment	(500)	(124,524)
Gains on disposals of investment property	-	(97,726)
Interest expenses	27,644	24,277
Net gains (losses) on operating securities measured at fair value through profit or loss	20,251	(138,447)
Subtotal of income and expenses items with no effect on cash flows	<u>55,082</u>	<u>(320,777)</u>
Net changes in operating assets and liabilities:		
Net changes in operating assets :		
Increase in financial assets measured at fair value through profit or loss	(33,817)	(234,996)
Decrease in customers margin accounts	783	467
Increase in accounts receivable	(128,990)	(80,439)
Decrease in prepayments	282	330
(Increase) decrease in other receivables	(3)	1,267
Decrease in other financial assets-current	1,319	6,271
Increase in other current assets	(4,786)	(15,007)
Decrease in other non-current assets	10,199	1,332
Net changes in operating assets	<u>(155,013)</u>	<u>(320,775)</u>
Net changes in operating liabilities :		
Decrease in financial liabilities measured at fair value through profit or loss	(12,720)	(3,023)
Decrease in future traders' equity	(782)	(467)
Decrease in notes payable	(109)	(451)
Increase in accounts payable	44,156	141,255
(Decrease) Increase in other current liabilities	(55,671)	56,499
Decrease in guarantee deposits received	-	(236)
Decrease in provision for liabilities-non-current	(829)	(931)
Net changes in operating liabilities	<u>(25,955)</u>	<u>192,646</u>
Net changes in operating assets and liabilities	<u>(180,968)</u>	<u>(128,129)</u>
Cash used in operating activities	<u>(175,038)</u>	<u>(263,363)</u>
Interest paid	(27,724)	(24,085)
Income tax paid	(2,343)	(12,172)
Net cash used in operating activities	<u>(205,105)</u>	<u>(299,620)</u>
Cash flows from investing activities :		
Increase in available-for-sale financial assets	(40,286)	(100,080)
Acquisition of intangible assets	(324)	(1,248)
Acquisition of property and equipment	(3,425)	(6,192)
Proceeds from disposal of property and equipment	500	197,328
Acquisition of investment property	-	(1,902)
Proceeds from disposal of investment property	-	211,436
Net cash (used in) provided by investing activities	<u>(43,535)</u>	<u>299,342</u>
Cash flows from financing activities :		
(Decrease) Increase in short-term loans	(19,000)	59,000
Increase in commercial paper payable	278,802	50,013
Other receivables from rescinded dividends	(113,755)	-
Net cash provided by financing activities	<u>146,047</u>	<u>109,013</u>
(Decrease) Increase in cash and cash equivalents	<u>(102,593)</u>	<u>108,735</u>
Cash and cash equivalents, beginning of the year	223,191	114,456
Cash and cash equivalents, end of the year	<u>\$ 120,598</u>	<u>223,191</u>

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