

PRIMASIA SECURITIES CO., LTD.
Balance Sheets
December 31, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

Assets	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%
Current assets :				
Cash and cash equivalents (notes 6(A), (R) and (S))	\$ 96,735	2	120,598	3
Financial assets measured at fair value through profit or loss-current (notes 6(B), (R), (S) and 8)	1,402,537	36	1,415,374	37
Customers margin accounts (notes 6(C), (R) and (S))	8,885	-	10,311	-
Accounts receivable (notes 6(B), (R) and (S))	380,417	10	397,008	10
Prepayments	1,134	-	1,330	-
Other receivables (notes 6(R) and (S))	278	-	114,020	3
Other financial assets-current (notes 6(R), (S) and 7)	202	-	3,026	-
Current income tax assets (notes 6 (R) and (S))	6,365	-	3,849	-
Restricted assets-current (note 6 (A), (R), (S) and 8)	418,500	11	418,500	11
Other current assets	39	-	4,873	-
	<u>2,315,092</u>	<u>59</u>	<u>2,488,889</u>	<u>64</u>
Non-current assets :				
Financial assets measured at cost-non-current (notes 6(B) and (R))	-	-	2,400	-
Available-for-sale financial assets-non-current (notes 6(B) and (R))	1,107,254	28	958,318	25
Property and equipment (notes 6 (F), 7 and 8)	216,218	6	216,285	6
Intangible assets (note 6(G))	2,051	-	1,260	-
Other non-current assets (notes 6(H), (R), (S) and 8)	287,803	7	174,822	5
	<u>1,613,326</u>	<u>41</u>	<u>1,353,085</u>	<u>36</u>
Total assets	\$ 3,928,418	100	3,841,974	100

Liabilities and equity	December 31, 2014		December 31, 2013	
	Amount	%	Amount	%
Current liabilities:				
Short-term loans (notes 6(I) and (R))	\$ 922,000	23	814,000	21
Commercial paper payable (notes 6(I) and (R))	692,473	18	738,360	19
Future traders' equity (notes 6(J) and (R))	8,882	-	10,308	-
Accounts payable (notes 6(K) and (R))	378,424	10	371,746	10
Other current liabilities (notes 6(R))	17,303	-	31,009	1
	<u>2,019,082</u>	<u>51</u>	<u>1,965,423</u>	<u>51</u>
Non-current liabilities:				
Provision for liabilities-non-current (notes 5 and 6(M))	13,070	-	12,659	-
	<u>13,070</u>	<u>-</u>	<u>12,659</u>	<u>-</u>
Total liabilities	2,032,152	51	1,978,082	51
Equity:				
Capital stock (note 6(O))	1,137,554	29	1,137,554	30
Retained earnings:				
Legal reserve (note 6(O))	111,422	3	111,422	3
Special reserve (note 6(O))	188,786	5	242,024	6
Unappropriated earnings (Accumulated deficit) (note 6(N) and (O))	(34,208)	(1)	(53,238)	(1)
Unrealized gain on available-for-sale financial assets (note 6(O))	492,712	13	426,130	11
Total equity	1,896,266	49	1,863,892	49
Total liabilities and equity	\$ 3,928,418	100	3,841,974	100

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, 2014 and 2013
(expressed in thousands of New Taiwan dollars except for earnings per share)

	For the year ended December 31, 2014		For the year ended December 31, 2013	
	Amount	%	Amount	%
Income:				
Brokerage handling fee revenue (note 7)	\$ 42,987	39	31,911	38
Revenue from underwriting business	111	-	91	-
Net gains (losses) on sale of operating securities	(14,688)	(13)	35,130	42
Interest revenue	26,808	24	19,755	23
Dividend revenue	6,466	6	144	-
Net gains (losses) on operating securities measured at fair value through profit or loss	11,228	10	(20,251)	(24)
Net gains on derivative instruments-futures (note 6(S))	-	-	12,199	15
Net gains on derivative instruments-counter (note 6(S))	36,379	33	4,255	5
Other operating revenue	971	1	848	1
	<u>110,262</u>	<u>100</u>	<u>84,082</u>	<u>100</u>
Expenses:				
Brokerage handling fee expenses	(4,331)	(4)	(3,310)	(4)
Proprietary handling fee expenses	(16)	-	(121)	-
Finance costs	(29,212)	(26)	(27,644)	(33)
Clearing and settlement expenses	(94)	-	(56)	-
Employee benefit expenses (note 7 and 12)	(84,941)	(77)	(82,750)	(98)
Depreciation and amortization expenses (note 12)	(7,158)	(6)	(7,687)	(9)
Other operating expenses (note 7)	(48,889)	(44)	(45,287)	(54)
	<u>(174,641)</u>	<u>(157)</u>	<u>(166,855)</u>	<u>(198)</u>
Non-operating income and expenses :				
Other income and expenses, net (note 6(Q) and 7)	31,381	28	33,621	40
	<u>31,381</u>	<u>28</u>	<u>33,621</u>	<u>40</u>
Net loss from continuing operations before income tax	<u>(32,998)</u>	<u>(29)</u>	<u>(49,152)</u>	<u>(58)</u>
Net loss	<u>(32,998)</u>	<u>(29)</u>	<u>(49,152)</u>	<u>(58)</u>
Other comprehensive income :				
Unrealized gain on available-for-sale financial assets	66,582	60	72,653	86
Actuarial (losses) gains on defined benefit plans	(1,210)	(1)	142	-
Other comprehensive income (net amount after tax)	<u>65,372</u>	<u>59</u>	<u>72,795</u>	<u>86</u>
Total comprehensive income	<u>\$ 32,374</u>	<u>30</u>	<u>23,643</u>	<u>28</u>
Basic earnings (losses) per share (note 6(P))	<u>\$</u>	<u>(0.29)</u>	<u>(0.43)</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, 2014 and 2013
(expressed in thousands of New Taiwan dollars)

	<u>Reserves and unappropriated earnings (Accumulated deficit)</u>				<u>Unrealized gain on available-for-sale financial assets</u>	<u>Total equity</u>
	<u>Common stock</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated earnings (Accumulated deficit)</u>		
Balance at January 1, 2013	\$ 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
Total comprehensive income for the year ended December 31, 2013	-	-	-	(49,010)	72,653	23,643
Appropriation and distribution of earnings:						
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(O))	-	-	183,701	(183,701)	-	-
Cancellation of earnings distributed (note 6(O))	-	(18,370)	(36,740)	168,865	-	113,755
Balance at December 31, 2013	1,137,554	111,422	242,024	(53,238)	426,130	1,863,892
Net loss for the year ended December 31, 2014	-	-	-	(32,998)	-	(32,998)
Other comprehensive income for the year ended December 31, 2014	-	-	-	(1,210)	66,582	65,372
Total comprehensive income for the year ended December 31, 2014	-	-	-	(34,208)	66,582	32,374
Appropriation and distribution of earnings:						
Special reserve used to cover accumulated deficit	-	-	(53,238)	53,238	-	-
Balance at December 31, 2014	\$ 1,137,554	111,422	188,786	(34,208)	492,712	1,896,266

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, 2014 and 2013
(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31, 2014	For the year ended December 31, 2013
Cash flows from operating activities :		
Net loss before tax	\$ (32,998)	(49,152)
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	5,940	6,131
Amortization expenses	1,218	1,556
Net (gains) losses on operating securities measured at fair value through profit or loss	(11,228)	20,251
Interest expenses	29,212	27,644
(Gains) losses on disposals of property and equipment	6,951	(500)
Gains on disposals of investment property	(3,109)	-
Subtotal of income and expenses items with no effect on cash flows	<u>28,984</u>	<u>55,082</u>
Net changes in operating assets and liabilities:		
Net changes in operating assets :		
Decrease (increase) in financial assets measured at fair value through profit or loss	24,065	(33,817)
Decrease in customers margin accounts	1,426	783
Decrease (increase) in accounts receivable	16,591	(128,990)
Decrease in prepayments	196	282
Decrease (increase) in other receivables	113,742	(3)
Decrease in other financial assets-current	2,824	1,319
Decrease (increase) in other current assets	4,835	(4,786)
(Increase) decrease in other non-current assets	(112,981)	10,199
Net changes in operating assets	<u>50,698</u>	<u>(155,013)</u>
Net changes in operating liabilities :		
Decrease in financial liabilities measured at fair value through profit or loss	-	(12,720)
Decrease in future traders' equity	(1,426)	(782)
Decrease in notes payable	-	(109)
Increase in accounts payable	6,678	44,156
Decrease in other current liabilities	(13,712)	(55,671)
Decrease in provision for liabilities-non-current	(799)	(829)
Net changes in operating liabilities	<u>(9,259)</u>	<u>(25,955)</u>
Net changes in operating assets and liabilities	<u>41,439</u>	<u>(180,968)</u>
Cash provided by (used in) operating activities	37,425	(175,038)
Interest paid	(29,206)	(27,724)
Income tax paid	(2,516)	(2,343)
Net cash provide by (used in) operating activities	<u>5,703</u>	<u>(205,105)</u>
Cash flows from investing activities :		
Increase in available-for-sale financial assets	(90,735)	(40,286)
Disposal of available-for-sale financial assets	11,620	-
Disposal of financial assets at cost	2,270	-
Acquisition of intangible assets	(2,009)	(324)
Acquisition of property and equipment	(12,825)	(3,425)
Proceeds from disposal of property and equipment	-	500
Net cash used in investing activities	<u>(91,679)</u>	<u>(43,535)</u>
Cash flows from financing activities :		
Increase (decrease) in short-term loans	108,000	(19,000)
(Decrease) increase in commercial paper payable	(45,887)	278,802
Other receivables from rescinded dividends	-	(113,755)
Net cash provided by financing activities	<u>62,113</u>	<u>146,047</u>
(Decrease)Increase in cash and cash equivalents	(23,863)	(102,593)
Cash and cash equivalents, beginning of the year	120,598	223,191
Cash and cash equivalents, end of the year	<u>\$ 96,735</u>	<u>120,598</u>

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