

PRIMASIA SECURITIES CO., LTD.
Balance Sheets
December 31, 2015 and 2014
(expressed in thousands of New Taiwan dollars)

	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
Assets				
Current assets :				
Cash and cash equivalents (notes 6(A), (R) and (S))	\$ 16,962	-	96,735	2
Financial assets measured at fair value through profit or loss-current (notes 6(B), (R), (S) and 8)	1,581,334	38	1,402,537	36
Customers margin accounts (notes 6(C), (R) and (S))	-	-	8,885	-
Accounts receivable (notes 6(E), (R) and (S))	318,481	8	380,417	10
Prepayments	1,158	-	1,134	-
Other receivables (notes 6(R) and (S))	35,279	1	278	-
Other financial assets-current (notes 6(R), (S) and 7)	202	-	202	-
Current income tax assets (notes 6 (R) and (S))	7,404	-	6,365	-
Restricted assets-current (note 6 (A), (R), (S) and 8)	474,100	12	418,500	11
Other current assets	26,749	1	39	-
	<u>2,461,669</u>	<u>60</u>	<u>2,315,092</u>	<u>59</u>
Non-current assets :				
Available-for-sale financial assets-non-current (notes 5,6(B) and (R))	1,212,356	29	1,107,254	28
Property and equipment (notes 6 (F), 7 and 8)	217,257	5	216,218	6
Intangible assets (note 6(G))	1,518	-	2,051	-
Other non-current assets (notes 6(H), (R), (S) and 8)	256,501	6	287,803	7
	<u>1,687,632</u>	<u>40</u>	<u>1,613,326</u>	<u>41</u>
Total assets	\$ 4,149,301	100	3,928,418	100

	December 31, 2015		December 31, 2014	
	Amount	%	Amount	%
Liabilities and equity				
Current liabilities:				
Short-term loans (notes 6(I) and (R))	\$ 1,084,000	26	922,000	23
Commercial paper payable (notes 6(I) and (R))	752,689	18	692,473	18
Future traders' equity (notes 6(J) and (R))	-	-	8,882	-
Accounts payable (notes 6(K) and (R))	317,075	8	378,424	10
Other current liabilities (notes 6(R))	44,399	1	17,303	-
	<u>2,198,163</u>	<u>53</u>	<u>2,019,082</u>	<u>51</u>
Non-current liabilities:				
Provision for liabilities-non-current (notes 5 and 6 (M))	14,847	-	13,070	-
	<u>14,847</u>	<u>-</u>	<u>13,070</u>	<u>-</u>
Total liabilities	<u>2,213,010</u>	<u>53</u>	<u>2,032,152</u>	<u>51</u>
Equity:				
Capital stock (note 6(O))	1,137,554	27	1,137,554	29
Retained earnings:				
Legal reserve (note 6(O))	111,422	3	111,422	3
Special reserve (note 6(O))	154,578	4	188,786	5
Unappropriated earnings (Accumulated deficit) (note 6(N) and (O))	(31,845)	(1)	(34,208)	(1)
Unrealized gain on available-for-sale financial assets (note 6(O))	564,582	14	492,712	13
	<u>1,936,291</u>	<u>47</u>	<u>1,896,266</u>	<u>49</u>
Total equity	<u>1,936,291</u>	<u>47</u>	<u>1,896,266</u>	<u>49</u>
Total liabilities and equity	\$ 4,149,301	100	3,928,418	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, 2015 and 2014
(expressed in thousands of New Taiwan dollars except for earnings per share)

	For the year ended December 31, 2015		For the year ended December 31, 2014	
	Amount	%	Amount	%
Income:				
Brokerage handling fee revenue (note 7)	\$ 44,968	40	42,987	39
Revenue from underwriting business	143	-	111	-
Net gains (losses) on sale of operating securities	8,729	8	(14,688)	(13)
Interest revenue	29,965	27	26,808	24
Dividend revenue	8,665	8	6,466	6
Net gains on operating securities measured at fair value through profit or loss	40,388	36	11,228	10
Future commission revenue	2	-	-	-
Net gains on derivative instruments-futures (note 6(S))	6,016	5	-	-
Net (losses) gains on derivative instruments-counter (note 6(S))	(27,872)	(25)	36,379	33
Other operating revenue	1,049	1	971	1
	<u>112,053</u>	<u>100</u>	<u>110,262</u>	<u>100</u>
Expenses:				
Brokerage handling fee expenses	(4,258)	(4)	(4,331)	(4)
Proprietary handling fee expenses	(105)	-	(16)	-
Finance costs	(31,193)	(28)	(29,212)	(26)
Clearing and settlement expenses	(55)	-	(94)	-
Employee benefit expenses (note 6 (M), 7 and 12)	(89,865)	(80)	(84,941)	(77)
Depreciation and amortization expenses (note 12)	(7,313)	(7)	(7,158)	(6)
Other operating expenses (note 6 (M) and 7)	(50,311)	(45)	(48,889)	(44)
	<u>(183,100)</u>	<u>(164)</u>	<u>(174,641)</u>	<u>(157)</u>
Non-operating income and expenses :				
Other income and expenses, net (note 6(Q) and 7)	41,836	37	31,381	28
Net loss	<u>(29,211)</u>	<u>(27)</u>	<u>(32,998)</u>	<u>(29)</u>
Other comprehensive income :				
Items that will not be reclassified subsequently to profit or loss :				
Remeasurement of net defined benefit plans	(2,634)	(2)	(1,210)	(1)
Total items that will not be reclassified subsequently to profit or loss :	<u>(2,634)</u>	<u>(2)</u>	<u>(1,210)</u>	<u>(1)</u>
Items that may be reclassified subsequently to profit or loss :				
Unrealized gain on available-for-sale financial assets	71,870	64	66,582	60
Total items that may be reclassified subsequently to profit or loss :	<u>71,870</u>	<u>64</u>	<u>66,582</u>	<u>60</u>
Other comprehensive income (net amount after tax)	<u>69,236</u>	<u>62</u>	<u>65,372</u>	<u>59</u>
Total comprehensive income	<u>\$ 40,025</u>	<u>35</u>	<u>32,374</u>	<u>30</u>
Basic earnings (losses) per share (note 6(P))	<u>\$ (0.26)</u>		<u>(0.29)</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, 2015 and 2014
(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, 2014	\$ 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
Net loss for the year ended December 31, 2015	-	-	-	(29,211)	-	(29,211)
Other comprehensive income for the year ended December 31, 2015	-	-	-	(2,634)	71,870	69,236
Total comprehensive income for the year ended December 31, 2015	-	-	-	(31,845)	71,870	40,025
Appropriation and distribution of earnings:						
Special reserve used to cover accumulated deficit	-	-	(34,208)	34,208	-	-
Balance at December 31, 2015	\$ 1,137,554	111,422	154,578	(31,845)	564,582	1,936,291

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, 2015 and 2014
(Expressed in thousands of New Taiwan dollars)

	For the year ended December 31, 2015	For the year ended December 31, 2014
Cash flows from operating activities :		
Net loss before tax	\$ (29,211)	(32,998)
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	5,741	5,940
Amortization expenses	1,572	1,218
Net gains on operating securities measured at fair value through profit or loss	(40,388)	(11,228)
Interest expenses	31,193	29,212
Losses on disposals of property and equipment	-	6,951
Gains on disposals of investments	-	(3,109)
Subtotal of income and expenses items with no effect on cash flows	(1,882)	28,984
Net changes in operating assets and liabilities:		
Net changes in operating assets :		
(Increase) decrease in financial assets measured at fair value through profit or loss	(138,409)	24,065
Decrease in customers margin accounts	8,885	1,426
Decrease in accounts receivable	61,936	16,591
(Increase) decrease in prepayments	(24)	196
(Increase) decrease in other receivables	(35,001)	113,742
Decrease in other financial assets-current	-	2,824
Increase in restricted assets	(55,600)	-
(Increase) decrease in other current assets	(26,710)	4,835
Decrease (increase) in other non-current assets	31,302	(112,981)
Net changes in operating assets	(153,621)	50,698
Net changes in operating liabilities :		
Decrease in future traders' equity	(8,882)	(1,426)
(Decrease) increase in accounts payable	(61,349)	6,678
Increase (decrease) in other current liabilities	26,728	(13,712)
Decrease in provision for liabilities-non-current	(857)	(799)
Net changes in operating liabilities	(44,360)	(9,259)
Net changes in operating assets and liabilities	(197,981)	41,439
Cash (used in) provided by operating activities	(229,074)	37,425
Interest paid	(30,825)	(29,206)
Income tax paid	(1,039)	(2,516)
Net cash (used in) provided by operating activities	(260,938)	5,703
Cash flows from investing activities :		
Increase in available-for-sale financial assets	(33,232)	(90,735)
Disposal of available-for-sale financial assets	-	11,620
Disposal of financial assets at cost	-	2,270
Acquisition of property and equipment	(6,780)	(12,825)
Acquisition of intangible assets	(1,039)	(2,009)
Net cash used in investing activities	(41,051)	(91,679)
Cash flows from financing activities :		
Increase in short-term loans	162,000	108,000
Increase (decrease) in commercial paper payable	60,216	(45,887)
Net cash provided by financing activities	222,216	62,113
Decrease in cash and cash equivalents	(79,773)	(23,863)
Cash and cash equivalents, beginning of the year	96,735	120,598
Cash and cash equivalents, end of the year	\$ 16,962	96,735

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