

MEGA BILLS FINANCE CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2021	December 31, 2020
11000	Cash and cash equivalents	6(1) and 7	\$ 337,259	\$ 310,489
12000	Financial assets at fair value through profit or loss	6(2)(7), 7 and 8	132,751,383	159,366,161
12100	Financial assets at fair value through other comprehensive income	6(3)(7), 7 and 8	114,538,586	139,211,496
12200	Investments in debt instruments at amortised cost	6(4)(7)	402,162	406,437
13000	Receivables – net	6(6)	1,120,769	1,404,106
15500	Other financial assets – net	6(9) and 8	504,509	471,412
18500	Property and equipment – net	6(10)	353,761	356,187
18600	Right of use asset – net	6(11) and 7	12,249	36,870
18700	Investment property – net	6(12)	2,475,104	2,485,768
19000	Intangible assets – net		8,529	6,522
19300	Deferred income tax assets – net	6(30)	197,736	185,044
19500	Other assets – net	6(13) and 7	58,645	64,974
	TOTAL ASSETS		\$ 252,760,692	\$ 304,305,466
	Liabilities and equity			
21000	Interbank overdraft and call loans	6(14), 7 and 8	\$ 17,350,762	\$ 17,012,187
22000	Financial liabilities at fair value through profit or loss	6(15)	29,122	-
22500	Bills and bonds payable under repurchase agreements	6(2)(3)(4)(5)(7) and 7	189,737,223	241,164,641
23000	Payables	6(16)	531,342	507,353
23200	Current income tax liabilities	6(30) and 7	632,641	544,324
25600	Provisions for liabilities	6(17)(18)	2,985,472	2,823,445
26000	Lease liabilities	6(11) and 7	12,127	37,070
29300	Deferred income tax liabilities	6(30)	244,851	607,047
29500	Other liabilities		251,387	202,476
	TOTAL LIABILITIES		211,774,927	262,898,543
31100	Equity			
31101	Common stocks	6(19)	13,114,411	13,114,411
31500	Capital surplus	6(20)	320,929	320,929
32000	Retained earnings	6(21)		
32001	Legal reserve		21,269,986	20,453,398
32003	Special reserve		203,090	203,090
32005	Unappropriated retained earnings		3,272,016	2,736,743
32500	Other equity interest		2,805,333	4,578,352
	TOTAL EQUITY		40,985,765	41,406,923
	TOTAL LIABILITIES AND EQUITY		\$ 252,760,692	\$ 304,305,466

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Notes	Year ended December 31	
			2021	2020
41000	Interest income	6(22) and 7	\$ 2,702,451	\$ 3,245,618
51000	Less : interest expense	6(22) and 7	(503,632)	(1,050,854)
	Interest income, net		2,198,819	2,194,764
	Non-interest income, net			
49100	Service fee and commission income, net	6(23) and 7	1,278,889	968,944
49200	Gain or loss from financial assets and liabilities at fair value through profit or loss	6(2)(15)(24) and 7	736,892	736,931
49310	Realized gain on financial assets at fair value through other comprehensive income	6(3)(25)	649,179	740,708
49600	Foreign exchange gain or loss, net		(9,511)	(61,060)
55000	Impairment loss and reversal of impairment gain	6(3)(4)(6)	20,911	(12,407)
49800	Other non-interest income or loss, net			
49851	Leasehold income	7	114,270	114,208
49899	Others		7,225	2,452
	Net revenues		4,996,674	4,684,540
58200	Provisions	6(26)	(132,586)	(252,093)
	Operating expenses			
58500	Employee benefit expense	6(18)(27)	(619,948)	(589,589)
59000	Depreciation and amortization	6(10)(11)(12)(28)	(69,801)	(67,919)
59500	Other business and administrative expenses	6(29) and 7	(178,530)	(169,533)
	Total operating expenses		(868,279)	(827,041)
61001	Income before income tax from operating unit		3,995,809	3,605,406
61003	Income tax expense	6(30)	(717,847)	(674,409)
64000	Net income		3,277,962	2,930,997
	Other comprehensive income			
	Not reclassifiable to profit or loss:			
65201	Remeasurement of defined benefit plans	6(18)	(22,451)	(29,379)
65204	Revaluation gains (losses) on investments in equity instruments measured at fair value through other comprehensive income	6(3)	501,937	(121,009)
65220	Income tax relating to items that are not reclassifiable to profit or loss	6(30)	4,490	5,876
	Potentially reclassifiable to profit or loss subsequently:			
65308	(Losses) gains on investments in debt instruments measured at fair value through other comprehensive income	6(3)	(2,571,060)	2,490,527
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	296,111	(319,165)
65000	Total other comprehensive income, net of tax		(1,790,973)	2,026,850
66000	Total comprehensive income		\$ 1,486,989	\$ 4,957,847
67500	Earnings per share			
	Basic and diluted earnings per share	6(31)	\$ 2.50	\$ 2.23

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

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

	Retained Earnings					Other equity interest	
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Gains or losses on financial assets measured at fair value through other comprehensive income	Total equity
<u>For the year ended December 31, 2020</u>							
Balance at January 1, 2020	\$ 13,114,411	\$ 320,929	\$ 19,669,947	\$ 203,090	\$ 2,626,382	\$ 2,342,466	\$ 38,277,225
Net income for 2020	-	-	-	-	2,930,997	-	2,930,997
Total other comprehensive (loss) income for 2020	-	-	-	-	(23,503)	2,050,353	2,026,850
Total comprehensive income for 2020	-	-	-	-	2,907,494	2,050,353	4,957,847
Appropriation of 2019 earnings							
Legal reserve	-	-	783,451	-	(783,451)	-	-
Cash dividends	-	-	-	-	(1,828,149)	-	(1,828,149)
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(185,533)	185,533	-
Balance at December 31, 2020	\$ 13,114,411	\$ 320,929	\$ 20,453,398	\$ 203,090	\$ 2,736,743	\$ 4,578,352	\$ 41,406,923
<u>For the year ended December 31, 2021</u>							
Balance at January 1, 2021	\$ 13,114,411	\$ 320,929	\$ 20,453,398	\$ 203,090	\$ 2,736,743	\$ 4,578,352	\$ 41,406,923
Net income for 2021	-	-	-	-	3,277,962	-	3,277,962
Total other comprehensive (loss) income for 2021	-	-	-	-	(17,961)	(1,773,012)	(1,790,973)
Total comprehensive income for 2021	-	-	-	-	3,260,001	(1,773,012)	1,486,989
Appropriation of 2020 earnings							
Legal reserve	-	-	816,588	-	(816,588)	-	-
Cash dividends	-	-	-	-	(1,908,147)	-	(1,908,147)
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	7	(7)	-
Balance at December 31, 2021	\$ 13,114,411	\$ 320,929	\$ 21,269,986	\$ 203,090	\$ 3,272,016	\$ 2,805,333	\$ 40,985,765

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2021 AND 2020
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from operating units		\$ 3,995,809	\$ 3,605,406
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	61,766	61,398
Amortization	6(28)	8,035	6,521
Provision for bad debts and various reserves	6(26)	132,904	262,480
Interest income	6(22)	(2,702,451)	(3,245,618)
Dividend income	6(25)	(135,315)	(93,579)
Interest expense	6(22)	503,632	1,050,854
Impairment (reversal of gain) loss on asset		(20,911)	12,407
Losses on disposal of property and equipment		-	33
Changes in operating assets and liabilities			
Changes in operating assets			
Decrease (increase) in financial assets at fair value through profit or loss		26,614,778	(31,983,455)
Decrease (increase) in financial assets at fair value through other comprehensive income		22,624,519	(10,437,590)
Decrease in investments in debt instruments measured at amortised cost		4,302	25,114
(Increase) decrease in receivables		(182,842)	733,930
(Increase) decrease in other financial assets		(33,097)	114,014
Decrease (increase) in other assets		2,902	(3,879)
Changes in operating liabilities			
Increase (decrease) in financial liabilities at fair value through profit or loss		29,122	(2,475)
(Decrease) increase in bills and bonds payable under repurchase agreements		(51,427,418)	36,991,180
Increase (decrease) in payables		31,391	(24,239)
Increase (decrease) in provisions for liabilities		6,672	(57,553)
Increase (decrease) in other liabilities		48,911	(96,939)
Interest received		3,168,874	3,411,624
Interest paid		(511,034)	(1,111,930)
Dividend received		135,288	93,317
Income tax paid		(703,817)	(346,558)
Net cash flows from (used in) operating activities		<u>1,652,020</u>	<u>(1,035,537)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6(10)	(11,526)	(15,601)
Proceeds from disposal of property and equipment		-	6
Acquisition of intangible assets		(3,949)	(1,920)
Acquisition of other assets		(2,731)	(6,483)
Net cash flows used in investing activities		<u>(18,206)</u>	<u>(23,998)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in interbank overdraft and call loans		338,575	2,880,156
Principal repayments of lease liabilities		(37,472)	(38,281)
Payments of cash dividends		(1,908,147)	(1,828,149)
Net cash flows (used in) from financing activities		<u>(1,607,044)</u>	<u>1,013,726</u>
Net increase (decrease) in cash and cash equivalents		26,770	(45,809)
Cash and cash equivalents at beginning of year	6(1)	310,489	356,298
Cash and cash equivalents at end of year	6(1)	<u>\$ 337,259</u>	<u>\$ 310,489</u>

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