

**MEGA BILLS FINANCE CO., LTD.**  
**BALANCE SHEETS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

ASSETS	NOTES	December 31, 2013	December 31, 2012	January 1, 2012
Cash and cash equivalents	6(1) and 7	\$ 544,617	\$ 367,174	\$ 601,915
Financial assets at fair value through profit or loss	6(2), 7 and 8	133,085,711	129,163,193	135,756,068
Available-for-sale financial assets	6(3), 7 and 8	80,127,802	81,883,882	83,240,989
Bills and bonds investment with resale agreements	6(4)	1,966,157	-	-
Receivables - net	6(5)	1,072,383	1,270,152	1,837,318
Held-to-maturity financial assets	6(6)	500,000	500,000	250,000
Other financial assets – net	6(7) and 8	1,303,700	1,299,398	822,684
Property and equipment - net	6(8)	362,205	347,155	347,138
Investment property - net	6(9)	2,560,415	2,571,079	2,581,743
Intangible assets - net		3,303	4,750	1,096
Deferred income tax assets - net	6(28)	89,030	100,207	98,292
Other assets - net	6(10) and 7	27,647	35,022	32,204
<b>TOTAL ASSETS</b>		<b>\$ 221,642,970</b>	<b>\$ 217,542,012</b>	<b>\$ 225,569,447</b>
<b>LIABILITIES AND EQUITY</b>				
Interbank overdraft and call loans	6(11) and 7	\$ 21,259,000	\$ 20,861,000	\$ 3,416,000
Financial liabilities at fair value through profit or loss	6(12)	1,352	3,154	-
Bills and bonds payable under repurchase agreements	6(4) and 7	163,869,633	159,376,775	184,993,275
Payables	6(13)	809,067	673,142	939,621
Current income tax liabilities	6(28)	124,310	444,111	337,407
Provisions for liabilities	6(14)(15) and 7	3,282,308	3,391,554	3,282,886
Deferred income tax liabilities	6(28)	62	-	-
Other liabilities	7	179,726	76,217	73,473
<b>Total Liabilities</b>		<b>189,525,458</b>	<b>184,825,953</b>	<b>193,042,662</b>
<b>Capital stock</b>				
Common stocks	6(16)	13,114,411	13,114,411	13,114,411
<b>Capital surplus</b>	6(17) and (18)	320,929	312,823	312,823
<b>Retained earnings</b>	6(19) and (28)			
Legal reserve		14,678,366	13,814,076	13,009,385
Special reserve		203,090	203,090	203,090
Unappropriated retained earnings		2,505,189	2,703,846	2,559,646
<b>Other equity interest</b>				
Unrealized gain or loss on available-for-sale financial assets	6(3)	1,295,527	2,567,813	3,327,430
<b>Total equity</b>		<b>32,117,512</b>	<b>32,716,059</b>	<b>32,526,785</b>
<b>Commitments And Contingent Liabilities</b>	9			
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$ 221,642,970</b>	<b>\$ 217,542,012</b>	<b>\$ 225,569,447</b>

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

**MEGA BILLS FINANCE CO., LTD.**  
**STATEMENTS OF COMPREHENSIVE INCOME**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT FOR EARNINGS PER SHARE)

	NOTES	For the years ended December 31	
		2013	2012
Interest Income	6(20)	\$ 2,837,819	\$ 3,206,986
Less : Interest Expense	6(20) and 7	( 1,058,294)	( 1,217,712)
Interest Income, Net		1,779,525	1,989,274
Non-Interest Income, Net			
Service fee and commission income, net	6(21) and 7	706,324	593,311
Gain or loss from financial assets and liabilities at fair value through profit or loss	6(22) and 7	355,856	230,851
Realized gain or loss on available-for-sale financial assets	6(23)	650,551	379,658
Foreign exchange gain (loss), net		544	( 293)
Other non-interest income or loss, net			
Revenues on investment property	6(9) and 7	102,565	106,895
Gains on sale of non-performing loans	7	-	802,264
Others	7	56,829	18,417
Net Revenues		3,652,194	4,120,377
Provisions	6(24)	177,739	25,132
Operating Expenses			
Employee benefit expense	6(25)	( 550,147)	( 572,747)
Depreciation and amortization	6(26)	( 20,483)	( 19,320)
Other business and administrative expenses	6(27) and 7	( 205,102)	( 196,287)
Total operating expenses		( 775,732)	( 788,354)
Income before Income Tax from Operating Unit		3,054,201	3,357,155
Income Tax Expense	6(28)	( 423,718)	( 529,272)
Net Income		2,630,483	2,827,883
Other comprehensive income			
Unrealized loss on valuation of available-for-sale-financials assets		( 1,272,286)	( 759,617)
Actuarial gains (losses) on defined benefit plan		62,827	( 1,215)
Income tax relating to component of other comprehensive income		( 10,681)	206
Total other comprehensive income (after Income Tax)		( 1,220,140)	( 760,626)
Total comprehensive income		\$ 1,410,343	\$ 2,067,257
Earnings Per Share			
Basic and Diluted earnings per share	6(29)	\$ 2.01	\$ 2.16

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**MEGA BILLS FINANCE CO., LTD.**  
**STATEMENTS OF CHANGES IN EQUITY**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	<u>Retained Earnings</u>					<u>Other equity interest</u>	
	<u>Capital</u>	<u>Capital</u>	<u>Legal</u>	<u>Special</u>	<u>Unappropriated</u>	<u>Unrealized gain or loss on</u>	<u>Total</u>
	<u>Stocks</u>	<u>Surplus</u>	<u>Reserve</u>	<u>Reserve</u>	<u>Retained Earnings</u>	<u>available-for-sale</u>	<u>Equity</u>
						<u>financial assets</u>	
<u>For the year ended December 31, 2012</u>							
Balance as of January 1, 2012	\$ 13,114,411	\$ 312,823	\$ 13,009,385	\$ 203,090	\$ 2,559,646	3,327,430	\$ 32,526,785
Appropriation of 2011 earnings (Note)							
Legal reserve	-	-	804,691	- (	804,691)	-	-
Cash dividends	-	-	-	- (	1,877,983)	- (	1,877,983)
Total comprehensive income							
Net income for 2012	-	-	-	-	2,827,883	-	2,827,883
Total other comprehensive income for 2012	-	-	-	-	( 1,009)	( 759,617)	( 760,626)
Total comprehensive income for 2012	-	-	-	-	2,826,874	( 759,617)	2,067,257
Balance as of December 31, 2012	<u>\$ 13,114,411</u>	<u>\$ 312,823</u>	<u>\$ 13,814,076</u>	<u>\$ 203,090</u>	<u>\$ 2,703,846</u>	<u>\$ 2,567,813</u>	<u>\$ 32,716,059</u>
<u>For the year ended December 31, 2013</u>							
Balance as of January 1, 2013	\$ 13,114,411	\$ 312,823	\$ 13,814,076	\$ 203,090	\$ 2,703,846	\$ 2,567,813	\$ 32,716,059
Appropriation of 2012 earnings (Note)							
Legal reserve	-	-	864,290	- (	864,290)	-	-
Cash dividends	-	-	-	- (	2,016,996)	- (	2,016,996)
Share-based payment transactions	-	8,106	-	-	-	-	8,106
Total comprehensive income							
Net income for 2013	-	-	-	-	2,630,483	-	2,630,483
Total other comprehensive income for 2013	-	-	-	-	52,146	( 1,272,286)	( 1,220,140)
Total comprehensive income for 2013	-	-	-	-	2,682,629	( 1,272,286)	1,410,343
Balance as of December 31, 2013	<u>\$ 13,114,411</u>	<u>\$ 320,929</u>	<u>\$ 14,678,366</u>	<u>\$ 203,090</u>	<u>\$ 2,505,189</u>	<u>\$ 1,295,527</u>	<u>\$ 32,117,512</u>

Note: Employee bonuses amounting to \$65,716 and \$70,584 thousand for 2011 and 2012 have been deducted from the statements of comprehensive income.

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

**MEGA BILLS FINANCE CO., LTD.**  
**STATEMENTS OF CASH FLOWS**  
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	For the years ended December 31	
	2013	2012
<b>Cash Flows from Operating Activities</b>		
Income before income tax	\$ 3,054,201	\$ 3,357,155
Adjustments to reconcile income before tax to net cash provided by (used in) operating activities:		
Income and expenses having no effect on cash flows		
Depreciation	17,235	17,057
Amortization	3,248	2,263
Provisions for bad debts and various reserves	86,661	126,379
Interest income	( 2,837,819)	( 3,206,986)
Dividend income	( 116,338)	( 88,996)
Interest expense	1,058,294	1,217,712
Gains on disposal of property and equipment	( 521)	( 81)
Share-based payment transactions	8,106	-
Changes in assets/liabilities relating to operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss	( 3,922,518)	6,592,875
Increase in bills and bonds investment with resale agreements	( 1,966,157)	-
Increase in receivables	( 67,950)	( 4,839)
Decrease in available-for-sale financial assets	483,794	597,490
Increase in held-to-maturity financial assets	-	( 250,000)
Increase in other financial assets	( 96,819)	( 515,360)
Decrease (increase) in other assets	6,298	( 2,925)
(Decrease) increase in financial liabilities at fair value through profit or loss	( 1,802)	3,154
Increase (decrease) in bills and bonds payable under repurchase agreements	4,492,858	( 25,616,500)
Increase (decrease) in payables	148,024	( 274,169)
(Decrease) increase in provisions for liabilities	( 6,203)	19,720
Increase in other liabilities	103,509	2,744
Interest paid	( 1,070,393)	( 1,210,022)
Interest received	3,044,178	3,778,991
Dividend received	116,338	88,996
Income tax paid	( 742,961)	( 424,277)
Net cash provided by (used in) operating activities	<u>1,793,263</u>	<u>( 15,789,619)</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from capital reduction of investment measured at cost	25,000	-
Acquisition of property and equipment	( 21,621)	( 6,410)
Proceeds from disposal of property and equipment	521	81
Increase in other assets	( 724)	( 5,810)
Net cash provided by (used in) investing activities	<u>3,176</u>	<u>( 12,139)</u>
<b>Cash Flows from Financing Activities</b>		
Increase (decrease) in interbank overdraft and call loans	398,000	17,445,000
Payments of cash dividends	( 2,016,996)	( 1,877,983)
Net cash (used in) provided by financing activities	( 1,618,996)	<u>15,567,017</u>
Net increase (decrease) in cash and cash equivalents	177,443	( 234,741)
Cash and cash equivalents, beginning of year	<u>367,174</u>	<u>601,915</u>
Cash and cash equivalents, end of year	<u>\$ 544,617</u>	<u>\$ 367,174</u>

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