

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

ASSETS	NOTES	December 31, 2014	December 31, 2013
Cash and cash equivalents	6(1) and 7	\$ 444,266	\$ 544,617
Financial assets at fair value through profit or loss	6(2), 7 and 8	117,026,616	133,085,711
Available-for-sale financial assets	6(3), 7 and 8	83,333,880	80,127,802
Bills and bonds investment with resale agreements	6(4)	9,805,054	1,966,157
Receivables - net	6(5)	1,004,365	1,072,383
Held-to-maturity financial assets	6(6)	850,000	500,000
Other financial assets - net	6(7) and 8	802,252	1,303,700
Property and equipment - net	6(8)	370,378	362,205
Investment property - net	6(9)	2,549,752	2,560,415
Intangible assets - net		2,886	3,303
Deferred income tax assets - net	6(28)	95,088	89,030
Other assets - net	6(10) and 7	25,511	27,647
TOTAL ASSETS		\$ 216,310,048	\$ 221,642,970
LIABILITIES AND EQUITY			
Interbank overdraft and call loans	6(11), 7 and 8	\$ 15,926,613	\$ 21,259,000
Financial liabilities at fair value through profit or loss	6(12)	411	1,352
Bills and bonds payable under repurchase agreements	6(2)(3)(4) and 7	163,777,891	163,869,633
Payables	6(13)	502,801	809,067
Current income tax liabilities	6(28)	74,713	124,310
Provisions for liabilities	6(14)(15) and 7	2,774,969	3,282,308
Deferred income tax liabilities	6(28)	790	62
Other liabilities	7	116,541	179,726
TOTAL LIABILITIES		183,174,729	189,525,458
Capital stock			
Common stocks	6(16)	13,114,411	13,114,411
Capital surplus	6(17)(18)	320,929	320,929
Retained earnings	6(19)		
Legal reserve		15,429,923	14,678,366
Special reserve		203,090	203,090
Unappropriated retained earnings		2,964,129	2,505,189
Other equity interest			
Unrealized gain or loss on available-for-sale financial assets		1,102,837	1,295,527
TOTAL EQUITY		33,135,319	32,117,512
Commitments and contingent liabilities	9		
TOTAL LIABILITIES AND EQUITY		\$ 216,310,048	\$ 221,642,970

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	
		2014	2013
Interest income	6(20)	\$ 2,791,448	\$ 2,837,819
Less : interest expense	6(20) and 7	(980,992)	(1,058,294)
Interest income, net		1,810,456	1,779,525
Non-interest income, net			
Service fee and commission income, net	6(21) and 7	887,884	706,324
Gain or loss from financial assets and liabilities at fair value through profit or loss	6(2)(12)(22) and 7	430,052	355,856
Realized gain or loss on available-for-sale financial assets	6(23)	289,241	650,551
Foreign exchange gain or loss, net		4,283	544
Other non-interest income or loss, net			
Leasehold income	7	110,043	104,595
Others		14,746	54,799
Net revenues		3,546,705	3,652,194
Provisions	6(24)	660,965	177,739
Operating expenses			
Employee benefit expense	6(15)(25)	(555,192)	(550,147)
Depreciation and amortization	6(26)	(21,949)	(20,483)
Other business and administrative expenses	6(27) and 7	(203,217)	(205,102)
Total operating expenses		(780,358)	(775,732)
Income before income tax from operating unit		3,427,312	3,054,201
Income tax expense	6(28)	(426,465)	(423,718)
Net income		3,000,847	2,630,483
Other comprehensive income			
Unrealized loss on valuation of available-for-sale financials assets		(192,690)	(1,272,286)
Actuarial gains (losses) on defined benefit plan	6(15)	(46,102)	62,827
Income tax relating to component of other comprehensive income	6(28)	7,837	(10,681)
Total other comprehensive income (after income tax)		(230,955)	(1,220,140)
Total comprehensive income		\$ 2,769,892	\$ 1,410,343
Earnings per share			
Basic and diluted earnings per share	6(29)	\$ 2.29	\$ 2.01

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

			Retained Earnings			Other equity interest	
	Capital Stocks	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Unrealized gain or loss on available-for-sale financial assets	Total Equity
<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>
<u>For the year ended December 31, 2014</u>							
Balance as of January 1, 2014	\$ 13,114,411	\$ 320,929	\$ 14,678,366	\$ 203,090	\$ 2,505,189	\$ 1,295,527	\$ 32,117,512
Appropriation of 2013 earnings (Note)							
Legal reserve	-	-	751,557	-	(751,557)	-	-
Cash dividends	-	-	-	-	(1,752,085)	-	(1,752,085)
Total comprehensive income							
Net income for 2014	-	-	-	-	3,000,847	-	3,000,847
Total other comprehensive income for 2014	-	-	-	-	(38,265)	(192,690)	(230,955)
Total comprehensive income for 2014	-	-	-	-	2,962,582	(192,690)	2,769,892
Balance as of December 31, 2014	<u>\$ 13,114,411</u>	<u>\$ 320,929</u>	<u>\$ 15,429,923</u>	<u>\$ 203,090</u>	<u>\$ 2,964,129</u>	<u>\$ 1,102,837</u>	<u>\$ 33,135,319</u>

Note: Employee bonuses amounting to \$59,974 and \$70,584 thousand for 2013 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	
	NOTES	2014	2013
Cash Flows from Operating Activities			
Income before income tax		\$ 3,427,312	\$ 3,054,201
Adjustments to reconcile income before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(26)	18,705	17,235
Amortization	6(26)	3,244	3,248
(Reversal) provision for bad debts and various reserves	6(14) (	526,633)	86,661
Interest income	6(20) (	2,791,448)	(2,837,819)
Dividend income	(	114,917)	(116,338)
Interest expense	6(20)	980,992	1,058,294
Gains on disposal of property and equipment	(	137)	(521)
Share-based payment transactions		-	8,106
Changes in assets/liabilities relating to operating assets:			
Decrease (increase) in financial assets at fair value through profit or loss		16,059,095	(3,922,518)
Increase in bills and bonds investment with resale agreements	(	7,838,897)	(1,966,157)
Decrease (increase) in receivables		71,958	(67,950)
(Increase) decrease in available-for-sale financial assets	(	3,398,768)	483,794
Increase in held-to-maturity financial assets	(	350,000)	-
Decrease (increase) in other financial assets		421,147	(96,819)
Decrease in other assets		1,187	6,298
Decrease in financial liabilities at fair value through profit or loss	(	941)	(1,802)
(Decrease) increase in bills and bonds payable under repurchase agreements	(	91,742)	4,492,858
(Decrease) increase in payables	(	302,070)	148,024
Decrease in provisions for liabilities	(	5,867)	(6,203)
(Decrease) increase in other liabilities	(	63,185)	103,509
Interest paid	(	985,188)	(1,070,393)
Interest received		2,846,868	3,044,178
Dividend received		114,917	116,338
Income tax paid	(	473,555)	(742,961)
Net cash provided by operating activities		7,002,077	1,793,263
Cash Flows from Investing Activities			
Proceeds from capital reduction of investment measured at cost	6(7)	-	25,000
Acquisition of property and equipment	6(8) (	16,287)	(21,621)
Increase of intangible assets	(	933)	-
Proceeds from disposal of property and equipment		209	521
Increase in other assets	(	945)	(724)
Net cash (used in) provided by investing activities	(	17,956)	3,176
Cash Flows from Financing Activities			
(Decrease) increase in interbank overdraft and call loans	(	5,332,387)	398,000
Payments of cash dividends	(	1,752,085)	(2,016,996)
Net cash used in financing activities	(	7,084,472)	(1,618,996)
Net (decrease) increase in cash and cash equivalents	(	100,351)	177,443
Cash and cash equivalents, beginning of year	6(1)	544,617	367,174
Cash and cash equivalents, end of year	6(1)	\$ 444,266	\$ 544,617

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