

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

ASSETS	NOTES	December 31, 2015	(Adjusted) December 31, 2014	(Adjusted) January 1, 2014
Cash and cash equivalents	6(1) and 7	\$ 321,356	\$ 444,266	\$ 544,617
Financial assets at fair value through profit or loss	6(2)(6), 7 and 8	115,285,106	117,026,616	133,085,711
Available-for-sale financial assets	6(3)(6), 7 and 8	100,816,225	83,333,880	80,127,802
Bills and bonds investment with resale agreements	6(4)	1,000,000	9,805,054	1,966,157
Receivables - net	6(5)	1,185,047	1,004,365	1,072,383
Held-to-maturity financial assets	6(8)	600,000	850,000	500,000
Other financial assets – net	6(9) and 8	818,540	802,252	1,303,700
Property and equipment - net	6(10)	375,457	370,378	362,205
Investment property - net	6(11)	2,539,088	2,549,752	2,560,415
Intangible assets - net		2,427	2,886	3,303
Deferred income tax assets - net	6(29)	106,254	96,021	90,405
Other assets - net	6(12) and 7	48,225	25,511	27,647
TOTAL ASSETS		\$ 223,097,725	\$ 216,310,981	\$ 221,644,345
LIABILITIES AND EQUITY				
Interbank overdraft and call loans	6(13), 7 and 8	\$ 11,294,776	\$ 15,926,613	\$ 21,259,000
Financial liabilities at fair value through profit or loss	6(7)(14)	6,149	411	1,352
Bills and bonds payable under repurchase agreements	6(2)(3)(4) and 7	173,109,248	163,777,891	163,869,633
Payables	6(15)	504,042	502,801	809,067
Current income tax liabilities	6(29)	131,256	74,713	124,310
Provisions for liabilities	6(16)(17) and 7	2,757,420	2,780,456	3,290,396
Deferred income tax liabilities	6(29)	12,647	790	62
Other liabilities	7	828,935	116,541	179,726
TOTAL LIABILITIES		188,644,473	183,180,216	189,533,546
Capital stock				
Common stocks	6(18)	13,114,411	13,114,411	13,114,411
Capital surplus	6(19)	320,929	320,929	320,929
Retained earnings	6(20)			
Legal reserve		16,319,161	15,429,923	14,678,366
Special reserve		203,090	203,090	203,090
Unappropriated retained earnings		2,968,669	2,959,575	2,498,476
Other equity interest				
Unrealised valuation gain or loss of available-for-sale financial assets		1,526,992	1,102,837	1,295,527
TOTAL EQUITY		34,453,252	33,130,765	32,110,799
Commitments and contingent liabilities	9			
TOTAL LIABILITIES AND EQUITY		\$ 223,097,725	\$ 216,310,981	\$ 221,644,345

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)

		For the years ended December 31	
			(Adjusted)
	NOTES	2015	2014
Interest income	6(21)	\$ 2,930,965	\$ 2,791,448
Less : interest expense	6(21) and 7	(901,456)	(980,992)
Interest income, net		2,029,509	1,810,456
Non-interest income, net			
Service fee and commission income, net	6(22) and 7	967,377	887,884
Gain or loss from financial assets and liabilities at fair value through profit or loss	6(2)(14)(23) and 7	598,034	430,052
Realized gain or loss on available-for-sale financial assets	6(24)	432,215	289,241
Foreign exchange gain or loss, net		3,203	4,283
Other non-interest income or loss, net			
Leasehold income	7	112,699	110,043
Others		20,877	14,746
Net revenues		4,163,914	3,546,705
Reversals (provisions)	6(25)	134,508	660,965
Operating expenses			
Employee benefit expense	6(17)(26)	(562,029)	(552,591)
Depreciation and amortization	6(27)	(23,592)	(21,949)
Other business and administrative expenses	6(28) and 7	(206,991)	(203,217)
Total operating expenses		(792,612)	(777,757)
Income before income tax from operating unit		3,505,810	3,429,913
Income tax expense	6(29)	(495,374)	(426,907)
Net income		3,010,436	3,003,006
Other comprehensive income			
Not reclassifiable to profit or loss:			
Remeasurement of defined benefit plans	6(17)	(46,645)	(46,102)
Income tax relating to items that are not reclassifiable to profit or loss	6(29)	7,929	7,837
Potentially reclassifiable to profit or loss subsequently:			
Unrealized loss on valuation of available-for-sale financial assets		424,155	(192,690)
Total other comprehensive income (after income tax)		385,439	(230,955)
Total comprehensive income		\$ 3,395,875	\$ 2,772,051
Earnings per share			
Basic and diluted earnings per share	6(30)	\$ 2.30	\$ 2.29

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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	Capital	Legal	Special	Unappropriated	Unrealized gain or loss on	
	Stocks	Surplus	Reserve	Reserve	Retained Earnings	available-for-sale	Total Equity
						financial assets	
<u>For the year ended December 31, 2014(Adjusted)</u>							
Balance as of January 1, 2014	\$ 13,114,411	\$ 320,929	\$ 14,678,366	\$ 203,090	\$ 2,498,476	\$ 1,295,527	\$ 32,110,799
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	-	-	-	-	3,003,006	-	3,003,006
Total other comprehensive loss for 2014	-	-	-	-	(38,265)	(192,690)	(230,955)
Total comprehensive (loss) income for 2014	-	-	-	-	2,964,741	(192,690)	2,772,051
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>\$ 2,959,575</u>	<u>\$ 1,102,837</u>	<u>\$ 33,130,765</u>
<u>For the year ended December 31, 2015</u>							
Balance as of January 1, 2015	\$ 13,114,411	\$ 320,929	\$ 15,429,923	\$ 203,090	\$ 2,959,575	\$ 1,102,837	\$ 33,130,765
Appropriation of 2014 earnings (Note)							
Legal reserve	-	-	889,238	-	(889,238)	-	-
Cash dividends	-	-	-	-	(2,073,388)	-	(2,073,388)
Total comprehensive income							
Net income for 2015	-	-	-	-	3,010,436	-	3,010,436
Total other comprehensive (loss) income for 2015	-	-	-	-	(38,716)	424,155	385,439
Total comprehensive income for 2015	-	-	-	-	2,971,720	424,155	3,395,875
Balance as of December 31, 2015	<u>\$ 13,114,411</u>	<u>\$ 320,929</u>	<u>\$ 16,319,161</u>	<u>\$ 203,090</u>	<u>\$ 2,968,669</u>	<u>\$ 1,526,992</u>	<u>\$ 34,453,252</u>

Note: Employee bonuses amounting to \$64,322 and \$59,974 thousand for 2014 and 2013 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	2015	(Adjusted) 2014
<u>Cash Flows from Operating Activities</u>			
Income before income tax		3,505,810	\$ 3,429,913
Adjustments to reconcile income before tax to net cash provided by operating activities:			
Income and expenses having no effect on cash flows			
Depreciation	6(27)	19,550	18,705
Amortization	6(27)	4,042	3,244
Reversal for bad debts and various reserves	6(16) (	64,115 ) (	526,633)
Interest income	6(21) (	2,930,965 ) (	2,791,448)
Dividend income	(	75,992 ) (	114,917)
Interest expense	6(21)	901,456	980,992
Gains on disposal of property and equipment	(	590 ) (	137)
Changes in assets/liabilities relating to operating assets:			
Decrease in financial assets at fair value through profit or loss		1,741,510	16,059,095
Decrease (increase) in bills and bonds investment with resale agreements		8,805,054 (	7,838,897)
(Increase) decrease in receivables	(	3,928)	71,958
Increase in available-for-sale financial assets	(	17,058,190 ) (	3,398,768)
Decrease (increase) in held-to-maturity financial assets		250,000 (	350,000)
(Increase) decrease in other financial assets	(	40,040)	421,147
(Increase) decrease in other assets	(	20,018)	1,187
Increase (decrease) in financial liabilities at fair value through profit or loss		5,738 (	941)
Increase (decrease) in bills and bonds payable under repurchase agreements		9,331,357 (	91,742)
Increase (decrease) in payables		11,460 (	302,070)
Increase (decrease) in provisions for liabilities		18,186 (	8,468)
Increase (decrease) in other liabilities		712,394 (	63,185)
Interest paid	(	911,675 ) (	985,188)
Interest received		2,754,211	2,846,868
Dividend received		75,992	114,917
Income tax paid	(	429,278 ) (	473,555)
Net cash provided by operating activities		<u>6,601,969</u>	<u>7,002,077</u>
<u>Cash Flows from Investing Activities</u>			
Acquisition of property and equipment	6(10) (	15,075 ) (	16,287)
Proceeds from disposal of property and equipment		590	209
Increase in intangible assets	(	721 ) (	933)
Increase in other assets	(	4,448 ) (	945)
Net cash used in investing activities	(	<u>19,654)</u>	<u>17,956)</u>
<u>Cash Flows from Financing Activities</u>			
Decrease in interbank overdraft and call loans	(	4,631,837 ) (	5,332,387)
Payments of cash dividends	(	2,073,388 ) (	1,752,085)
Net cash used in financing activities	(	<u>6,705,225)</u>	<u>7,084,472)</u>
Net decrease in cash and cash equivalents	(	122,910 ) (	100,351)
Cash and cash equivalents, beginning of year	6(1)	<u>444,266</u>	<u>544,617</u>
Cash and cash equivalents, end of year	6(1)	<u>321,356</u>	<u>\$ 444,266</u>

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