

MEGA BILLS FINANCE CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2020	December 31, 2019
11000	Cash and cash equivalents	6(1) and 7	\$ 310,489	\$ 356,298
12000	Financial assets at fair value through profit or loss	6(2)(7), 7 and 8	159,366,161	127,382,706
12100	Financial assets at fair value through other comprehensive income	6(3)(7), 7 and 8	139,211,496	126,416,773
12200	Investments in debt instruments at amortised cost	6(4)(7)	406,437	431,553
13000	Receivables – net	6(6)	1,404,106	2,303,800
15500	Other financial assets – net	6(9) and 8	471,412	585,426
18500	Property and equipment – net	6(10)	356,187	353,131
18600	Right of use asset – net	6(11)	36,870	73,532
18700	Investment property – net	6(12)	2,485,768	2,496,432
19000	Intangible assets – net		6,522	6,195
19300	Deferred income tax assets – net	6(30)	185,044	135,853
19500	Other assets – net	6(13) and 7	64,974	59,540
	TOTAL ASSETS		\$ 304,305,466	\$ 260,601,239
	Liabilities and equity			
21000	Interbank overdraft and call loans	6(14), 7 and 8	\$ 17,012,187	\$ 14,132,031
22000	Financial liabilities at fair value through profit or loss	6(15)	-	2,475
22500	Bills and bonds payable under repurchase agreements	6(2)(3)(4)(5)(7) and 7	241,164,641	204,173,461
23000	Payables	6(16)	507,353	592,668
23200	Current income tax liabilities	6(30)	544,324	136,891
25600	Provisions for liabilities	6(17)(18)	2,823,445	2,589,139
26000	Lease liabilities	6(11) and 7	37,070	73,785
29300	Deferred income tax liabilities	6(30)	607,047	324,149
29500	Other liabilities		202,476	299,415
	TOTAL LIABILITIES		262,898,543	222,324,014
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		20,453,398	19,669,947
32003	Special reserve		203,090	203,090
32005	Unappropriated retained earnings		2,736,743	2,626,382
32500	Other equity interest		4,578,352	2,342,466
	TOTAL EQUITY		41,406,923	38,277,225
	TOTAL LIABILITIES AND EQUITY		\$ 304,305,466	\$ 260,601,239

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

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars, except earnings per share)

Items	Notes	Year ended December 31	
		2020	2019
41000 Interest income	6(22)	\$ 3,245,618	\$ 3,490,129
51000 Less : interest expense	6(22) and 7	(1,050,854)	(1,940,494)
Interest income, net		2,194,764	1,549,635
Non-interest income, net			
49100 Service fee and commission income, net	6(23) and 7	968,944	923,508
49200 Gain or loss from financial assets and liabilities at fair value through profit or loss	6(2)(15)(24) and 7	736,931	522,379
49310 Realized gain on financial assets at fair value through other comprehensive income	6(3)(25)	740,708	782,811
49600 Foreign exchange gain or loss, net	(	61,060)	(27,206)
55000 Impairment loss on assets	(	12,407)	(639)
Other non-interest income or loss, net			
49851 Leasehold income	7	114,208	114,389
49899 Others		2,452	35,980
Net revenues		4,684,540	3,900,857
58200 (Provisions) reversals	6(26)	(252,093)	(69,684)
Operating expenses			
58500 Employee benefit expense	6(18)(27)	(589,589)	(574,655)
59000 Depreciation and amortization	6(10)(11)(12)(28)	(67,919)	(65,127)
59500 Other business and administrative expenses	6(29) and 7	(169,533)	(164,779)
Total operating expenses		(827,041)	(804,561)
61001 Income before income tax from operating unit		3,605,406	3,165,980
61003 Income tax expense	6(30)	(674,409)	(540,628)
64000 Net income		2,930,997	2,625,352
Other comprehensive income			
Not reclassifiable to profit or loss:			
65201 Remeasurement of defined benefit plans	6(18)	(29,379)	(17,641)
65204 Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	6(3)	(121,009)	(372,762)
65220 Income tax relating to items that are not reclassifiable to profit or loss	6(30)	5,876	3,528
Potentially reclassifiable to profit or loss subsequently:			
65308 Gains (losses) on investments in debt instruments measured at fair value through other comprehensive income	6(3)	2,490,527	2,287,000
65320 Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	(319,165)	(497,992)
65000 Total other comprehensive income, net of tax		2,026,850	2,147,657
66000 Total comprehensive income		\$ 4,957,847	\$ 4,773,009
Earnings per share			
Basic and diluted earnings per share	6(31)	\$ 2.23	\$ 2.00

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MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

	Retained earnings					Other equity interest	
						Gains or losses on financial assets measured at fair value through other comprehensive income	Total equity
	Common stocks	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings		
<u>For the year ended December 31, 2019</u>							
Balance at January 1, 2019	\$ 13,114,411	\$ 320,929	\$ 18,902,523	\$ 203,090	\$ 2,906,836	\$ 180,962	\$ 35,628,751
Net income for 2019	-	-	-	-	2,625,352	-	2,625,352
Total other comprehensive (loss) income for 2019	-	-	-	-	(14,113)	2,161,770	2,147,657
Total comprehensive income for 2019	-	-	-	-	2,611,239	2,161,770	4,773,009
Appropriation of 2018 earnings							
Legal reserve	-	-	767,424	-	(767,424)	-	-
Cash dividends	-	-	-	-	(2,124,535)	-	(2,124,535)
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	266	(266)	-
Balance at December 31, 2019	\$ 13,114,411	\$ 320,929	\$ 19,669,947	\$ 203,090	\$ 2,626,382	\$ 2,342,466	\$ 38,277,225
<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

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

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from operating units		\$ 3,605,406	\$ 3,165,980
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	61,398	60,681
Amortization	6(28)	6,521	4,446
Provision (reversal) for bad debts and various reserves	6(26)	262,480	(65,949)
Interest income	6(22)	(3,245,618)	(3,490,129)
Dividend income	(	93,579)	(99,246)
Interest expense	6(22)	1,050,854	1,940,494
Impairment loss on asset		12,407	639
Losses on disposal of property and equipment		33	-
Changes in operating assets and liabilities			
Changes in operating assets			
Increase in financial assets at fair value through profit or loss	(	31,983,455)	(805,141)
(Increase) decrease in financial assets at fair value through other comprehensive income	(	10,437,590)	8,197,464
Decrease in investments in debt instruments measured at amortised cost		25,114	8,514
Decrease (increase) in receivables		733,930	(737,974)
Decrease (increase) in other financial assets		114,014	(87,723)
(Increase) decrease in other assets	(	3,879)	1,938
Changes in operating liabilities			
Decrease in financial liabilities at fair value through profit or loss	(	2,475)	(3,417)
Increase in bills and bonds payable under repurchase agreements		36,991,180	1,863,056
(Decrease) increase in payables	(	24,239)	38,819
Decrease in provisions for liabilities	(	57,553)	(59,468)
Decrease in other liabilities	(	96,939)	(56,849)
Interest received		3,411,624	3,458,904
Interest paid	(	1,111,930)	(1,946,901)
Dividend received		93,317	99,246
Income tax paid	(	346,558)	(333,030)
Net cash flows (used in) from operating activities	(	1,035,537)	11,154,354
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6(10)	(15,601)	(12,327)
Proceeds from disposal of property and equipment		6	-
Acquisition of intangible assets	(	1,920)	(2,980)
Acquisition of other assets	(	6,483)	(4,306)
Net cash flows used in investing activities	(	23,998)	(19,613)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase (decrease) in interbank overdraft and call loans		2,880,156	(8,942,248)
Principal repayments of lease liabilities	(	38,281)	(37,867)
Payments of cash dividends	(	1,828,149)	(2,124,535)
Net cash flows from (used in) financing activities		1,013,726	(11,104,650)
Net (decrease) increase in cash and cash equivalents	(	45,809)	30,091
Cash and cash equivalents at beginning of year	6(1)	356,298	326,207
Cash and cash equivalents at end of year	6(1)	\$ 310,489	\$ 356,298

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