

MEGA BILLS FINANCE CO., LTD.
BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2022		December 31, 2021	
			AMOUNT	%	AMOUNT	%
11000	Cash and cash equivalents	6(1) and 7	\$ 351,332	-	\$ 337,259	-
12000	Financial assets at fair value through profit or loss	6(2)(7), 7 and 8	138,802,548	57	132,751,383	53
12100	Financial assets at fair value through other comprehensive income	6(3)(7), 7 and 8	100,475,481	41	114,538,586	45
12200	Investments in debt instruments at amortised cost	6(4)(7)	449,151	-	402,162	-
13000	Receivables – net	6(6)	1,073,254	1	1,120,769	1
15500	Other financial assets – net	6(9), 7 and 8	471,170	-	504,509	-
18500	Property and equipment – net	6(10)	362,935	-	353,761	-
18600	Right of use asset – net	6(11) and 7	148,905	-	12,249	-
18700	Investment property – net	6(12)	2,464,440	1	2,475,104	1
19000	Intangible assets – net		7,403	-	8,529	-
19300	Deferred income tax assets	6(30)	724,536	-	197,736	-
19500	Other assets – net	6(13) and 7	65,008	-	58,645	-
TOTAL ASSETS			\$ 245,396,163	100	\$ 252,760,692	100
Liabilities and equity						
21000	Interbank overdraft and call loans	6(14), 7 and 8	\$ 7,982,322	4	\$ 17,350,762	7
22000	Financial liabilities at fair value through profit or loss	6(15)	94,673	-	29,122	-
22500	Bills and bonds payable under repurchase agreements	6(2)(3)(4)(5)(7) and 7	197,969,284	81	189,737,223	75
23000	Payables	6(16)	554,995	-	531,342	-
23200	Current income tax liabilities	6(30) and 7	445,735	-	632,641	1
25600	Provisions for liabilities	6(17)(18)	2,576,840	1	2,985,472	1
26000	Lease liabilities	6(11) and 7	149,269	-	12,127	-
29300	Deferred income tax liabilities	6(30)	32,178	-	244,851	-
29500	Other liabilities		407,070	-	251,387	-
TOTAL LIABILITIES			210,212,366	86	211,774,927	84
31101	Common stocks	6(19)	13,114,411	5	13,114,411	5
31500	Capital surplus	6(20)	320,929	-	320,929	-
32000	Retained earnings	6(21)				
32001	Legal reserve		22,247,989	9	21,269,986	9
32003	Special reserve		203,090	-	203,090	-
32005	Unappropriated retained earnings		3,088,030	1	3,272,016	1
32500	Other equity interest		(3,790,652)	(1)	2,805,333	1
TOTAL EQUITY			35,183,797	14	40,985,765	16
TOTAL LIABILITIES AND EQUITY			\$ 245,396,163	100	\$ 252,760,692	100

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

MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars, except earnings per share)

		Year ended December 31						Changes Percentage (%)
		2022		2021				
Items	Notes	AMOUNT	%	AMOUNT	%			
41000	Interest income	6(22) and 7	\$ 3,348,239	79	\$ 2,702,451	54	24	
51000	Less : interest expense	6(22) and 7	(1,509,561)	(36)	(503,632)	(10)	200	
	Interest income, net		1,838,678	43	2,198,819	44	(16)	
	Non-interest income, net							
49100	Service fee and commission income, net	6(23) and 7	1,230,816	29	1,278,889	26	(4)	
49200	Gain or loss from financial assets and liabilities at fair value through profit or loss	6(2)(15)(24) and 7	411,015	10	736,892	15	(44)	
49310	Realized gain on financial assets at fair value through other comprehensive income	6(3)(25)	575,454	14	649,179	13	(11)	
49600	Foreign exchange gain or loss		18,646	-	9,511	-	(296)	
55000	Reversal of impairment loss on assets	6(3)(4)(6)	1,899	-	20,911	-	(91)	
49800	Other non-interest income or loss, net							
49851	Leasehold income	7	115,735	3	114,270	2	1	
49899	Others		34,823	1	7,225	-	382	
	Net revenues		4,227,066	100	4,996,674	100	(15)	
58200	Provisions	6(26)	308,285	8	132,586	3	(333)	
	Operating expenses							
58500	Employee benefit expense	6(18)(27)	(585,151)	(14)	(619,948)	(12)	(6)	
59000	Depreciation and amortization	6(10)(11)(12)(28)	(71,448)	(2)	(69,801)	(1)	2	
59500	Other business and administrative expenses	6(29) and 7	(177,250)	(4)	(178,530)	(4)	(1)	
	Total operating expenses		(833,849)	(20)	(868,279)	(17)	(4)	
61001	Income before income tax from operating unit		3,701,502	88	3,995,809	80	(7)	
61003	Income tax expense	6(30)	(661,219)	(16)	(717,847)	(14)	(8)	
64000	Net income		3,040,283	72	3,277,962	66	(7)	
	Other comprehensive income							
	Not reclassifiable to profit or loss:							
65201	Remeasurement of defined benefit plans	6(18)	45,899	1	22,451	-	(304)	
65204	Revaluation (losses) gains on investments in equity instruments measured at fair value through other comprehensive income	6(3)	(540,930)	(13)	501,937	10	(208)	
65220	Income tax relating to items that are not reclassifiable to profit or loss	6(30)	(9,180)	-	4,490	-	(304)	
	Potentially reclassifiable to profit or loss subsequently:							
65308	Losses on investments in debt instruments measured at fair value through other comprehensive income	6(3)	(6,821,893)	(161)	(2,571,060)	(52)	165	
65320	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(30)	765,760	18	296,111	6	159	
65000	Total other comprehensive loss, net of tax		(6,560,344)	(155)	(1,790,973)	(36)	266	
66000	Total comprehensive (loss) income		(\$ 3,520,061)	(83)	\$ 1,486,989	30	(337)	
67500	Earnings per share							
	Basic and diluted earnings per share	6(31)	\$ 2.32	\$	2.50			

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, 2022 AND 2021
(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, 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 for 2021	-	-	-	-	(17,961)	(1,773,012)	(1,790,973)
Total comprehensive income (loss) 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
<u>For the year ended December 31, 2022</u>							
Balance at January 1, 2022	\$ 13,114,411	\$ 320,929	\$ 21,269,986	\$ 203,090	\$ 3,272,016	\$ 2,805,333	\$ 40,985,765
Net income for 2022	-	-	-	-	3,040,283	-	3,040,283
Total other comprehensive income (loss) for 2022	-	-	-	-	36,719	(6,597,063)	(6,560,344)
Total comprehensive income (loss) for 2022	-	-	-	-	3,077,002	(6,597,063)	(3,520,061)
Appropriation of 2021 earnings							
Legal reserve	-	-	978,003	-	(978,003)	-	-
Cash dividends	-	-	-	-	(2,281,907)	-	(2,281,907)
Disposal of investment in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(1,078)	1,078	-
Balance at December 31, 2022	\$ 13,114,411	\$ 320,929	\$ 22,247,989	\$ 203,090	\$ 3,088,030	(\$ 3,790,652)	\$ 35,183,797

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MEGA BILLS FINANCE CO., LTD.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2022 AND 2021
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES			
Income before income tax from operating units		\$ 3,701,502	\$ 3,995,809
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation	6(28)	62,931	61,766
Amortization	6(28)	8,517	8,035
(Reversal) provision for bad debts and various reserves	6(26)	(307,891)	132,904
Interest income	6(22)	(3,348,239)	(2,702,451)
Dividend income	6(25)	(510,059)	(135,315)
Interest expense	6(22)	1,509,561	503,632
Reversal of impairment loss on assets		(1,899)	(20,911)
Gain on disposal of property and equipment		(47)	-
Changes in operating assets and liabilities			
Changes in operating assets			
(Increase) decrease in financial assets at fair value through profit or loss		(6,051,165)	26,614,778
Decrease in financial assets at fair value through other comprehensive income		6,702,241	22,624,519
(Increase) decrease in investments in debt instruments measured at amortised cost		(47,017)	4,302
Decrease (increase) in receivables		127,607	(182,842)
Decrease (increase) in other financial assets		33,339	(33,097)
(Increase) decrease in other assets		(9,423)	2,902
Changes in operating liabilities			
Increase in financial liabilities at fair value through profit or loss		65,551	29,122
Increase (decrease) in bills and bonds payable under repurchase agreements		8,232,061	(51,427,418)
(Decrease) increase in payables		(99,478)	31,391
(Decrease) increase in provisions for liabilities		(47,587)	6,672
Increase in other liabilities		155,683	48,911
Interest received		3,260,860	3,168,874
Interest paid		(1,386,430)	(511,034)
Dividend received		510,059	135,288
Income tax paid		(831,018)	(703,817)
Net cash flows from operating activities		<u>11,729,659</u>	<u>1,652,020</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	6(10)	(22,721)	(11,526)
Proceeds from disposal of property and equipment		47	-
Acquisition of intangible assets		(1,270)	(3,949)
Acquisition of other assets		(3,061)	(2,731)
Net cash flows used in investing activities		<u>(27,005)</u>	<u>(18,206)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
(Decrease) increase in interbank overdraft and call loans		(9,368,440)	338,575
Principal repayments of lease liabilities		(38,234)	(37,472)
Payments of cash dividends		(2,281,907)	(1,908,147)
Net cash flows used in financing activities		<u>(11,688,581)</u>	<u>(1,607,044)</u>
Net increase in cash and cash equivalents		14,073	26,770
Cash and cash equivalents at beginning of year	6(1)	337,259	310,489
Cash and cash equivalents at end of year	6(1)	\$ 351,332	\$ 337,259

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