

MASTERLINK SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	(Reviewed) 31-Mar-23		(Audited) 31-Dec-22		(Reviewed) 31-Mar-22	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents	\$6,284,163	5%	\$7,308,509	7%	\$6,369,773	5%
Financial assets measured at fair value through profit or loss - current	45,003,009	38%	34,922,910	33%	\$41,086,987	31%
Financial assets at fair value through other comprehensive income - current	6,536,404	6%	3,478,602	3%	\$3,829,668	3%
Financial assets at amortized cost- current	1,410,008	1%	1,368,999	1%	\$1,436,425	1%
Bonds purchased under resale agreements	701,390	1%	330,000	0%	\$3,042,580	2%
Margin loans receivable	12,049,827	10%	12,232,492	12%	18,850,490	14%
Refinancing margin	20,397	0%	2,237	0%	83	0%
Refinancing deposits receivable	16,975	0%	1,733	0%	69	0%
Receivable of securities business money lending	5,444,697	5%	3,514,159	4%	3,235,570	3%
Customers' margin accounts	8,997,701	8%	10,641,930	10%	10,218,324	8%
Futures trading margins receivable	691	0%	731	0%	2,004	0%
Stock borrowing collateral price	443,186	0%	2,289,082	2%	421,081	0%
Stock borrowing margin	1,665,969	1%	3,434,392	3%	2,225,341	2%
Notes receivable	262	0%	679	0%	336	0%
Accounts receivable	19,319,564	16%	13,605,185	13%	26,844,208	21%
Accounts receivable - related parties	5,986	0%	1,983	0%	55,151	0%
Prepayments	58,522	0%	73,686	0%	49,026	0%
Other receivable	27,548	0%	35,230	0%	17,400	0%
Other receivable - related parties	16,767	0%	16,510	0%	13,089	0%
Current tax assets	44,234	0%	44,517	0%	42,183	0%
Other current assets	4,111,438	3%	4,630,652	5%	4,853,842	4%
Total current assets	112,158,738	94%	97,934,218	93%	122,593,630	94%
NON-CURRENT ASSETS						
Financial assets measured at fair value through profit or loss - non-current	229,120	0%	178,638	0%	267,370	0%
Financial assets at fair value through other comprehensive income - non-current	2,521,086	2%	2,614,261	3%	2,996,695	2%
Property and equipment	1,937,659	2%	1,960,188	2%	1,982,403	2%
Right-of-use assets	400,458	0%	389,124	0%	383,297	0%
Investment property	202,108	0%	202,108	0%	200,175	0%
Intangible assets	167,502	0%	169,218	0%	152,619	0%
Deferred tax assets	313,645	0%	486,799	0%	284,760	0%
Operation bond	840,000	1%	840,000	1%	870,000	1%
Settlement/clearance fund	240,126	0%	242,628	0%	249,886	0%
Exchange traded note performance bond	700	0%	700	0%	700	0%
Guarantee deposits paid	742,678	1%	739,922	1%	610,839	1%
Trust enterprise reserve fund	50,000	0%	50,000	0%	50,000	0%
Overdue receivables	0	0%	0	0%	1,957	0%
Prepayment for equipment	43,179	0%	31,365	0%	31,693	0%
Other non-current assets - others	3,989	0%	3,822	0%	5,828	0%
Total non-current assets	7,692,250	6%	7,908,773	7%	8,088,222	6%
TOTAL	\$119,850,988	100%	\$105,842,991	100%	\$130,681,852	100%
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings	460,000	0%	0	0%	880,000	1%
Commercial papers payable	6,494,929	5%	599,919	1%	7,598,676	6%
Financial liabilities measured at fair value through profit or loss - current	11,290,829	9%	10,920,311	10%	10,652,864	8%
Bonds sold under repurchase agreements	27,415,454	23%	19,434,250	18%	26,591,716	20%
Bills sold under repurchase agreements	597,862	1%	897,438	1%	1,078,187	1%
Deposits for short sales	786,884	1%	2,333,348	2%	896,090	1%
Short sales proceeds payable	847,637	1%	2,060,630	2%	970,180	1%
Securities lending refundable deposits	3,807,143	3%	4,134,357	4%	2,321,305	2%
Futures customers' equity	8,982,146	8%	10,628,102	10%	10,207,409	8%
Equity for each customer in the account	197,587	0%	245,744	0%	10,123	0%
Notes payable - related parties	0	0%	113	0%		
Accounts payable	19,097,384	16%	14,811,186	14%	25,433,822	19%
Contract liabilities - current	121,159	0%	116,749	0%	100,906	0%
Amounts received in advance	216	0%	382	0%	414	0%
Amounts collected for other parties	83,960	0%	538,475	1%	253,231	0%
Other payable	564,371	1%	823,250	1%	767,376	1%
Other payable - related parties	2,864	0%	5,470	0%	2,917	0%
Other financial liabilities - current	11,091,721	9%	11,085,657	11%	12,381,470	9%
Current tax liabilities	298,243	0%	251,100	0%	621,119	0%
Provisions - current	70,188	0%	80,234	0%	76,071	0%
Lease liabilities - current	148,948	0%	150,235	0%	151,617	0%
Other current liabilities	31,945	0%	31,519	0%	35,264	0%
Total current liabilities	92,391,470	77%	79,148,469	75%	101,030,757	77%
NON-CURRENT LIABILITIES						
Lease liabilities - non-current	259,637	1%	243,868	0%	238,411	0%
Deferred tax liabilities	178,740	0%	300,509	0%	121,525	0%
Other non-current liabilities	144,807	0%	147,352	0%	436,760	1%
Total non-current liabilities	583,184	1%	691,729	0%	796,696	1%
Total liabilities	92,974,654	78%	79,840,198	75%	101,827,453	78%
EQUITY						
Capital stock						
Common stock	16,096,099	13%	16,096,099	15%	16,096,099	12%
Capital surplus						
Capital surplus-additional paid-in capital	42,235	0%	42,235	0%	34,924	0%
Capital Surplus-treasury stock transactions	0	0%	0	0%	0	0%
Capital Surplus-share-based payment	0	0%	0	0%	0	0%
Capital Surplus-expired share options	5,556	0%	5,556	0%	5,556	0%
Capital Surplus-others	7,023	0%	7,023	0%	6,941	0%
Total capital surplus	54,814	0	54,814	0	47,421	0
Retained earnings						
Legal reserve	1,691,270	2%	1,691,270	2%	1,326,977	1%
Special reserve	5,919,655	5%	5,919,655	5%	5,186,754	4%
Unappropriated earnings	1,438,237	1%	668,083	1%	3,724,242	3%
Total retained earnings	9,049,162	8%	8,279,008	8%	10,237,973	8%
Other equity						
Exchange differences resulting from translating the financial statements of a foreign operation	(71,478)	0%	(65,960)	0%	-111,440	0%
Unrealized gain on financial assets at fair value through other comprehensive income	1,747,737	1%	1,638,832	2%	2,584,346	2%
Total other equity	1,676,259	1%	1,572,872	2%	2,472,906	2%
Treasury shares	0	0%	0	0%	0	0%
Total equity	26,876,334	22%	26,002,793	25%	28,854,399	22%
TOTAL	\$119,850,988	100%	\$105,842,991	100%	\$130,681,852	100%

MASTERLINK SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023 1-3		2022 1-3	
	Amount	%	Amount	%
REVENUES				
Brokerage handling fee revenues	\$758,685	35%	\$1,005,099	89%
Borrowing or lending money handling fee revenues	112	0%	148	0%
Revenue from borrowed securities	92,416	4%	74,245	7%
Revenue from underwriting business	75,560	4%	103,146	9%
(Losses) gains on disposal of securities - bills	(279)	0%	7	0%
Revenue from wealth management services	38,457	2%	21,025	2%
Gains (losses) on disposal of trading securities	669,454	31%	(199,502)	(18%)
Revenue from providing agency service for stock affairs	13,466	1%	13,577	1%
Interest income	279,013	13%	334,405	29%
Dividend income	26,001	1%	39,842	4%
Gains (losses) on trading securities at fair value through profit or loss	1,089,924	51%	(968,802)	(86%)
Losses (gains) on covering of borrowed securities and bonds with resale agreements	(198,919)	(9%)	12,454	1%
(Losses) gains on borrowed securities and bonds with resale agreements at fair value through profit or loss	(174,875)	(8%)	75,306	7%
Gains (losses) on securities - bills at fair value through profit or loss	133	0%	(318)	0%
Losses on issuance of ETNs	(21)	0%	(61)	0%
Administrative and handling fee revenues from issuance of STO	2	0%	4	0%
Gains on warrants issued	32,495	1%	244,160	22%
(Losses) gains on derivative financial product - futures	(38,854)	(2%)	204,412	18%
(Losses) gains on derivative financial product - GTSM	(542,694)	(25%)	130,834	12%
Management fee revenues	8,757	0%	30,841	3%
Futures consulting fee revenues	1,233	0%	4,115	0%
Expected credit gains and losses	2,240	0%	15,361	1%
Other operating income (losses)	17,342	1%	(7,203)	(1%)
Total revenues	2,149,648	100%	1,133,095	100%
COSTS AND EXPENSES				
Brokerage handling fee expenses	(107,530)	(5%)	129,177	12%
Dealing handling fee expenses	(8,729)	0%	9,711	1%
Refinancing handling fee expenses	(462)	0%	137	0%
Underwriting business fee expenses	(254)	0%	168	0%
STO administrative expenses	(17)	0%	0	0%
Financial costs	(175,623)	(8%)	40,352	4%
Losses from securities borrowing transactions	(10,435)	0%	3,098	0%
Futures commission expenses	(10,602)	(1%)	12,546	1%
Expense of clearing and settlement	(17,412)	(1%)	22,937	2%
Other operating expenditure	(67)	0%	1,774	0%
Employee benefit expenses	(663,214)	(31%)	616,254	54%
Depreciation and amortization	(84,867)	(4%)	83,379	7%
Other operating expenses	(346,996)	(16%)	341,984	30%
Total costs and expenses	(1,426,208)	(66%)	1,261,517	111%
INCOME (LOSSES) FROM OPERATIONS	723,440	34%	(128,422)	(11%)
NON-OPERATING INCOME AND EXPENSES				
Other income and costs	155,017	7%	79,178	7%
CONSOLIDATED INCOME (LOSSES) BEFORE INCOME TAX	878,457	41%	(49,244)	(4%)
INCOME TAX EXPENSES	(108,408)	(5%)	(75,195)	(7%)
CONSOLIDATED NET INCOME (LOSSES)	770,049	36%	(124,439)	(11%)
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss				
Unrealized gains on investments in equity instruments designated as at fair value through other comprehensive income	22,947	1%	350,700	31%
Actuarial gains (losses) on defined benefits plan	0	0%	0	0%
Income tax relating to components of other comprehensive income	0	0%	0	0%
	22,947	1%	350,700	31%
Items that may be subsequently reclassified into profit or loss				
Unrealized gains (losses) on investments in debt instruments at fair value through other comprehensive income	86,063	4%	(111,506)	(10%)
Exchange differences resulting from translating the financial statements of a foreign operation	(5,518)	(0%)	42,332	4%
Components of other comprehensive income that will be reclassified to profit or loss	80,545	4%	(69,174)	(6%)
Total other comprehensive income, net of income tax	103,492	5%	281,526	25%
TOTAL COMPREHENSIVE INCOME	\$873,541	41%	\$157,087	14%
INCOME (LOSSES) ATTRIBUTABLE TO:				
Owner of the company	\$770,049	36%	(\$124,439)	(11%)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner of the company	\$873,541	41%	\$157,087	14%

MASTERLINK SECURITIES CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)

	Retained Earnings					Other Equity		Total Equity
	Capital Stock	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences Resulting from Translating the Financial Statements of A Foreign Operation	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive Income	
BALANCE, JANUARY 1, 2022	\$16,096,099	\$ 47,136	\$1,326,977	\$5,186,754	\$3,800,668	\$ (153,772)	\$ 2,393,165	\$ 28,697,027
Overdue dividends	-	285	-	-	-	-	-	285
Net loss for the three months ended March 31, 2022	-	-	-	-	(124,439)	-	-	(124,439)
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	42,332	239,194	281,526
Total comprehensive income for the three months ended March 31, 2022	-	-	-	-	(124,439)	42,332	239,194	157,087
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	48,013	-	-48,013	-
BALANCE AT MARCH 31, 2022	\$16,096,099	\$47,421	\$1,326,977	\$5,186,754	\$3,724,242	(\$111,440)	\$2,584,346	\$28,854,399
BALANCE, JANUARY 1, 2023	\$16,096,099	\$ 54,814	\$1,691,270	\$5,919,655	\$ 668,083	\$ (65,960)	\$ 1,638,832	\$ 26,002,793
Net income for the three months ended March 31, 2023	-	-	-	-	770,049	-	-	770,049
Other comprehensive income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	(5,518)	109,010	103,492
Total comprehensive income for the three months ended March 31, 2023	-	-	-	-	770,049	(5,518)	109,010	873,541
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	105	-	-105	-
BALANCE AT MARCH 31, 2023	\$16,096,099	\$54,814	\$1,691,270	\$5,919,655	\$1,438,237	(\$71,478)	\$1,747,737	\$26,876,334

MASTERLINK SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	the Three Months Ended March	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income (losses) before income tax expenses	878,457	(49,244)
Adjustments to reconcile income before income tax expenses to net cash provided by operating activities:		
Depreciation	70,975	71,586
Amortization	13,892	11,793
Expected credit (gains) losses	(2,240)	(15,361)
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(1,074,989)	970,430
Finance cost	175,623	40,352
Interest income and finance income	(357,596)	(349,678)
Dividend income	(26,001)	(39,842)
(Gains) losses on disposal of investment	(668,386)	196,709
Losses (gains) from lease modification	87	(239)
Changes in operating assets and liabilities:		
(Increase) decrease in financial assets measured at fair value through profit or loss - current	(8,387,329)	8,425,622
Increase in financial assets at amortised cost-current	(41,009)	(11,077)
Increase in bonds purchased under resale agreements	(371,390)	(938,281)
Decrease in margin loans receivable	186,318	1,242,754
(Increase) decrease in refinancing margin	(18,160)	2,311
(Increase) decrease in refinancing deposits receivable	(15,242)	1,922
Increase in receivable of securities business money lending	(1,930,686)	(189,807)
Decrease (increase) in customers' margin accounts	1,644,229	(479,413)
Decrease in futures trading margins receivable	40	142
Decrease in stock borrowing collateral price	1,845,896	281,233
Decrease (increase) in stock borrowing margin	1,768,423	(919,174)
Decrease in notes receivable	417	413
Increase in accounts receivable	(5,669,141)	(830,086)
Increase in accounts receivable - related parties	(4,003)	(30,661)
Decrease (increase) in prepayments	15,006	(8,781)
Decrease (increase) in other receivable	7,682	(3,222)
Increase in other receivable - related parties	(257)	(30)
Decrease in other current assets	519,214	9,561,310
Decrease in overdue receivable	-	446
Increase (decrease) in bonds sold under repurchase agreements	7,981,204	(6,771,227)
(Decrease) increase in bills sold under repurchase agreements	(299,576)	180,078
Increase in financial liabilities measured at fair value through profit or loss - current	370,518	1,465,444
Decrease in deposits for short sales	(1,546,464)	(689,231)
Decrease in short sales proceeds payable	(1,212,993)	(760,550)
Decrease in securities lending refundable deposits	(327,214)	(424,950)
(Decrease) increase in futures customers' equity	(1,645,956)	477,965
Decrease in notes payable - related parties	(113)	-
Increase (decrease) in accounts payable	4,280,196	(708,089)
Increase in amounts received in advance	4,244	4,309
Decrease in amounts collected for other parties	(454,515)	(9,589,755)
Decrease in other payable	(258,879)	(1,025,971)
Decrease in other payable - related parties	(2,606)	(468)
Increase in other financial liabilities - current	6,064	1,214,411
Increase in other current liabilities	426	5,435
(Decrease) increase in Equity for each customer in the account	(48,157)	2,620
Decrease in provisions - current	(10,046)	(9,224)
Decrease in non-current liabilities	(2,545)	(3,114)
Cash (used in) provided by operations	(4,606,582)	309,810
Interest received	324,029	298,864

MASTERLINK SECURITIES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	the Three Months Ended March	
	2023	2022
Dividend received	14,078	29,004
Interest paid	(170,069)	(41,160)
Income tax paid	(9,597)	(8,789)
Net cash flows (used in) generated from operating activities	<u>(4,448,141)</u>	<u>587,729</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(2,874,293)	(389,512)
Disposal of financial assets at fair value through other comprehensive income	105	674,305
Purchase of property and equipment	(7,043)	(2,047)
Decrease in settlement/clearance fund	2,502	3,151
Increase in guarantee deposits paid	(2,756)	(17,626)
Acquisition of intangible assets	(12,176)	(4,155)
Increase in other non-current assets	(167)	-
Decrease in other non-current assets	-	337
Increase in prepayment for equipment	(11,814)	(11,978)
Net cash (used in) generated from investing activities	<u>(2,905,642)</u>	<u>252,475</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in short-term borrowings	460,000	796,960
Increase in commercial papers payable	5,895,010	-
Decrease in commercial papers payable	-	(2,207,538)
Repayments of the principal portion of lease liabilities	(38,203)	(39,628)
Net cash flows generated from (used in) operating activities	<u>6,316,807</u>	<u>(1,450,206)</u>
EFFECTS OF EXCHANGE RATE CHANGES	<u>12,630</u>	<u>(25,779)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	<u>(1,024,346)</u>	<u>(635,781)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF THE PERIOD	<u>7,308,509</u>	<u>7,005,554</u>
CASH AND CASH EQUIVALENTS, END OF THE PERIOD	<u><u>6,284,163</u></u>	<u><u>6,369,773</u></u>