Stock Code：5871

(English Translation of Financial Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2013 AND 2012
(With Independent Accountants' Review Report Thereon)

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Independent Accountants' Review Report

The Board of Directors of Chailease Holding Company Limited：

We have reviewed the accompanying consolidated balance sheets of Chailease Holding Company Limited (the “Company”) and its subsidiaries (“the Group”) as of June 30, 2013, and December 31, June 30, January 1, 2012, the related consolidated statements of comprehensive income for the three months and the six months ended June 30, 2013 and 2012 and the related consolidated statements of changes in equity, and of cash flows for the three months and the six months ended June 30, 2013 and 2012. These consolidated financial statements are the responsibility of the Group’s management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except as described in paragraphs 3 and 4, we reviewed these financial statements in accordance with the Statements of Auditing Standard No.36 “Review of Financial Statements” in the Republic of China. A review is limited primarily to inquiries of Company’s personnel and applying analytical procedures to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Also included in the accompanying consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets of NT$ 23,598,060 thousand and NT$ 18,344,881 thousand constituting 13% and 12%, respectively, of the Company’s consolidated total assets; total liabilities of NT$ 18,968,398 thousand and NT$ 15,257,438 thousand constituting 12% and 12%, respectively, of the Company’s consolidated total liabilities as of June 30, 2013 and 2012; comprehensive income of NT$ 64,543 thousand, NT$ 150,680 thousand, NT$ 221,060 thousand and NT$ 313,073 thousand constituting 4%, 17%, 6% and 20%, respectively, of the Company’s consolidated comprehensive income for the three months and the six months ended June 30, 2013 and 2012.

As described in Note (6)(g), long term investments under equity method of NT$ 4,029 thousand and NT$ 1,203 thousand as of June 30, 2013 and 2012, respectively, and related investment income (loss) thereof amounting to NT$ (3,043) thousand, NT$ 31 thousand, NT$ (3,088) thousand and NT$ 60 thousand for the three months and the six months ended June 30, 2013 and 2012, respectively, were recognized based upon financial statements prepared by investee companies.

Based on our reviews, except for the effects of the adjustments, if any, as might have been determined to be necessary had the financial statements of some consolidated subsidiaries and some equity method investees as described in the paragraphs 3 and 4 been reviewed by independent accountants, we are not aware of any material modifications that should be made to the accompanying consolidated financial statements described in the first paragraph for them to be in conformity with the Guidelines Governing the Preparation of Financial Report by Securities Issuers, guidelines of IFRS 1 "First-time Adoption of International Financial Reporting Standards", and IAS 34 “Interim Financial Reporting” as endorsed by the Financial Supervisory Commissions in the Republic of China.

KPMG

CPA： Wan Wan, Lin
Yi Chun, Chen

Taipei, Taiwan, R.O.C.
August 13, 2013

Note to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the International Financial Reporting Standards approved by the Financial Supervisory Commissions in the Republic of China and not those of any other jurisdictions. The standards, procedures, and practices to audit (or review) such financial statements are those generally accepted and applied in the Republic of China.

The independent accountants' review report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors’ report and financial statements, the Chinese version shall prevail.

(English Translation of Financial Report Originally Issued in Chinese)

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Balance Sheets

June 30, 2013, and December 31, June 30, January 1, 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets：								
1100	Cash and cash equivalents (Notes (6)(a) and (7))	$ 8,230,226	5	10,131,431	6	9,333,054	7	6,558,070	5
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	340,143	-	236,246	-	252,207	-	240,841	-
1130	Current held-to-maturity financial assets (Note (6)(b))	2,175,239	1	1,997,100	1	1,142,500	1	280,000	-
1170	Accounts receivable, net (Notes (6)(d) and (7))	123,030,288	68	110,970,208	67	96,499,983	65	89,839,107	66
1324	Construction in progress (Notes (6)(e), (7), and (8))	882,208	-	771,503	1	685,875	-	616,069	-
1476	Other current financial assets (Notes (7) and (8))	6,651,303	4	6,748,887	4	5,795,661	4	6,113,565	5
1479	Other current assets – others (Notes (6)(f) and (7))	2,637,514	1	1,442,367	1	741,314	1	1,179,503	1
		143,946,921	79	132,297,742	80	114,450,594	78	104,827,155	77
	Non-current assets：								
1510	Non-current financial assets at fair value through profit or loss (Notes (6)(b) and (6)(c))	1,746,858	1	1,791,558	1	1,816,141	1	1,838,291	1
1523	Non-current available-for-sale financial assets (Note (6)(b))	1,153,948	1	1,202,629	1	1,210,787	1	1,085,758	1
1528	Non-current held-to-maturity financial assets (Note (6)(b))	530,362	-	490,000	-	280,000	-	-	-
1550	Investments accounted under equity method (Notes (6)(g) and (8))	4,029	-	7,062	-	1,203	-	1,243	-
1600	Property, plant and equipment (Notes (6)(h) and (8))	6,163,250	4	6,504,695	4	7,756,911	5	8,723,610	7
1780	Intangible assets (Note (6)(i))	23,562	-	23,087	-	22,766	-	24,669	-
1840	Deferred tax assets	1,528,552	1	1,739,184	1	1,635,123	1	1,226,695	1
1930	Long-term accounts receivable, net (Notes (6)(d) and (7))	26,158,463	14	21,742,423	13	19,501,385	14	17,160,953	13
1995	Other non-current assets – others (Notes (7) and (8))	573,689	-	811,201	-	671,817	-	393,668	-
		37,882,713	21	34,311,839	20	32,896,133	22	30,454,887	23
	TOTAL ASSETS	**$ 181,829,634**	**100**	**166,609,581**	**100**	**147,346,727**	**100**	**135,282,042**	**100**

		2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities：								
2100	Short-term borrowings (Notes (6)(j) and (7))	$ 53,198,835	29	51,043,587	31	49,772,397	34	39,831,048	30
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	1,570	-	5,007	-	12,173	-	757	-
2125	Current derivative financial liabilities for hedging (Note (6)(b))	5,533	-	11,396	-	10,825	-	15,988	-
2150	Accounts and notes payable (Note (7))	999,456	1	1,772,943	1	1,239,843	1	2,312,415	2
2230	Current tax liabilities	501,515	-	675,265	-	428,111	-	669,271	-
2305	Other current financial liabilities (Note (7))	20,828,802	11	17,323,233	10	14,418,597	10	13,186,866	10
2312	Advance real estate receipts (Note (6)(e))	342,280	-	302,039	-	213,393	-	173,091	-
2320	Long-term liabilities – current portion (Notes (6)(j), (6)(k), and (8))	49,488,415	27	48,013,666	29	39,660,052	27	37,541,490	28
2399	Other current liabilities – others	1,646,060	1	1,160,551	1	755,625	1	816,093	-
		127,012,466	69	120,307,687	72	106,511,016	73	94,547,019	70
	Non-current Liabilities：								
2530	Bonds payable (Notes (6)(k) and (9))	5,076,284	3	6,946,767	4	10,214,411	7	5,174,629	4
2540	Long-term borrowings (Note (6)(j))	20,229,435	11	11,931,451	7	11,673,106	8	17,168,295	13
2570	Deferred tax liabilities	978,718	1	976,090	1	641,206	-	303,973	-
2600	Other non-current liabilities (Note (6)(m))	1,782,532	1	1,435,965	1	1,470,148	1	1,272,635	1
		28,066,969	16	21,290,273	13	23,998,871	16	23,919,532	18
	Total Liabilities	155,079,435	85	141,597,960	85	130,509,887	89	118,466,551	88
	Equity attributable to owners of parent：(Note (6)(o))								
3110	Share capital	9,053,004	5	9,053,004	5	7,853,004	5	7,853,004	6
3150	Stock dividends to be distributed	905,300	-	-	-	-	-	-	-
3200	Capital surplus	9,411,771	6	9,411,771	6	4,649,711	3	4,694,420	3
3320	Special reserve	64,865	-	-	-	-	-	-	-
3350	Unappropriated retained earnings	5,170,275	3	5,082,354	3	2,977,317	2	3,177,765	2
3400	Other equity	380,598	-	(278,849)	-	(226,005)	-	(177,169)	-
	Total equity attributable to owners of parent	24,985,813	14	23,268,280	14	15,254,027	10	15,548,020	11
36XX	**Non-controlling interests**	1,764,386	1	1,743,341	1	1,582,813	1	1,267,471	1
	Total equity	26,750,199	15	25,011,621	15	16,836,840	11	16,815,491	12
	TOTAL LIABILITIES AND EQUITY	**$ 181,829,634**	**100**	**166,609,581**	**100**	**147,346,727**	**100**	**135,282,042**	**100**

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

(English Translation of Financial Report Originally Issued in Chinese)

REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the Three and Six Months Ended June 30, 2013 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the three months ended June 30,				For the six months ended June 30,			
		2013		2012		2013		2012	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenue：(Note (7))								
4111	Sales revenue	$ 1,383,673	20	491,802	10	2,621,958	19	844,228	9
4810	Interest revenue - installment sales	1,520,717	22	1,137,768	22	2,991,383	22	2,187,541	22
4820	Interest revenue - capital leases	1,806,658	26	1,442,060	28	3,594,641	27	2,845,526	29
4300	Rental revenue - operating leases	628,043	9	754,574	14	1,292,922	10	1,546,046	16
4230	Interest revenue - loans	356,722	5	240,415	5	675,622	5	484,303	5
4240	Other interest revenue	219,020	3	331,842	7	419,184	3	657,636	7
4800	Other operating revenue	1,084,134	15	686,853	14	1,892,087	14	1,184,421	12
		6,998,967	100	5,085,314	100	13,487,797	100	9,749,701	100
	Operating costs：(Note (7))								
5111	Cost of sales	1,237,404	18	449,179	9	2,339,646	18	774,363	8
5240	Interest expense (Note (6)(e))	1,001,287	14	968,911	19	2,003,656	15	1,954,161	20
5300	Cost of rental revenue	459,002	7	683,542	12	968,715	7	1,358,231	14
5800	Other operating costs	159,835	2	170,200	3	310,041	2	247,960	3
		2,857,528	41	2,271,832	43	5,622,058	42	4,334,715	45
	Gross profit from operation	4,141,439	59	2,813,482	57	7,865,739	58	5,414,986	55
6000	**Operating expenses**	(2,086,006)	(30)	(1,567,798)	(31)	(3,968,867)	(29)	(3,200,199)	(33)
6500	**Net other income and expenses (Note (6)(q))**	48,406	1	53,210	1	82,089	1	189,578	2
	Operating profit	2,103,839	30	1,298,894	27	3,978,961	30	2,404,365	24
	Non-operating income and expenses：								
7100	Interest income	35,917	-	25,314	-	75,018	1	43,792	-
7020	Other gains and losses (Notes (6)(b) and (6)(r))	56,616	1	67,502	1	176,866	1	89,367	1
7060	Share of profit of associates and joint ventures accounted for using equity method	(3,133)	-	31	-	(3,088)	-	60	-
		89,400	1	92,847	1	248,796	2	133,219	1
	Profit before income tax	2,193,239	31	1,391,741	28	4,227,757	32	2,537,584	25
7950	**Income tax expense (Note (6)(n))**	(625,841)	(9)	(462,916)	(9)	(1,195,484)	(9)	(824,230)	(8)
	Profit for the period	1,567,398	22	928,825	19	3,032,273	23	1,713,354	17
8300	**Other comprehensive income (loss)：**								
8310	Exchange differences on translation of foreign financial statements	120,154	2	35,153	1	889,367	7	(236,485)	(2)
8325	Unrealized gains (losses) on available-for-sale financial assets	(84,168)	(1)	(29,974)	(1)	(47,470)	-	129,760	1
8330	Gains of effective portion of cash flow hedges	3,928	-	1,848	-	5,863	-	5,163	-
8340	Gains (losses) of effective portion of hedges of net investment in foreign operations	66,035	1	(7,955)	-	(10,683)	-	6,545	-
8390	Other comprehensive income (loss) - other	(86,113)	(1)	(22,496)	-	(136,040)	(1)	24,401	-
8399	Income tax relating to components of other comprehensive income (loss)	-	-	-	-	-	-	-	-
8300	**Other comprehensive income (loss) for the period, net of tax**	**19,836**	**1**	**(23,424)**	**-**	**701,037**	**6**	**(70,616)**	**(1)**
	Total comprehensive income for the period	**$ 1,587,234**	**23**	**905,401**	**19**	**3,733,310**	**29**	**1,642,738**	**16**
	Profit attributable to：								
8610	Owners of parent	$ 1,482,419	21	870,210	18	2,868,686	22	1,605,743	16
8620	Non-controlling interests	84,979	1	58,615	1	163,587	1	107,611	1
		$ 1,567,398	**22**	**928,825**	**19**	**3,032,273**	**23**	**1,713,354**	**17**
	Comprehensive income attributable to：								
	Owners of parent	$ 1,590,307	23	866,932	18	3,528,133	27	1,556,907	15
	Non-controlling interests	(3,073)	-	38,469	1	205,177	2	85,831	1
.		**$ 1,587,234**	**23**	**905,401**	**19**	**3,733,310**	**29**	**1,642,738**	**16**
9750	**Basic earnings per share (NT dollars) (Note (6)(p))**	**$**	**1.64**		**1.10**		**3.17**		**2.04**

Note： Pro-forma retrospective earnings per share by considering the stock dividends issued, was following:

Basic earnings per share (NT dollars) (Note (6)(p))	**$ 1.49**	**1.01**	**2.88**	**1.86**

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

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REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For The Six Months Ended June 30, 2013 And 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
	Stock					Other equity							
	Share capital	Stock dividend to be distributed	Capital surplus	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) of effective portion of cash flow hedges	Gains (losses) of effective portion of hedge of net investment in foreign operations	Others	Equity attributable to owners of the parent	Non controlling interests	Total equity
Balance as of January 1, 2012	$ 7,853,004	-	4,694,420	-	3,177,765	199,047	(360,228)	(15,988)	-	-	15,548,020	1,267,471	16,815,491
Net income for the period	-	-	-	-	1,605,743	-	-	-	-	-	1,605,743	107,611	1,713,354
Other comprehensive income for the period	-	-	-	-	-	(214,705)	129,760	5,163	6,545	24,401	(48,836)	(21,780)	(70,616)
Total comprehensive income for the period	-	-	-	-	1,605,743	(214,705)	129,760	5,163	6,545	24,401	1,556,907	85,831	1,642,738
Earnings distribution and appropriation													
Cash dividends of ordinary share	-	-	-	-	(1,806,191)	-	-	-	-	-	(1,806,191)	-	(1,806,191)
Other changes in capital surplus:													
Changes in share of profit of associates and joint ventures accounted for using equity method	-	-	(44,709)	-	-	-	-	-	-	-	(44,709)	(215,179)	(259,888)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	444,690	444,690
Balance as of June 30, 2012	**$ 7,853,004**	**-**	**4,649,711**	**-**	**2,977,317**	**(15,658)**	**(230,468)**	**(10,825)**	**6,545**	**24,401**	**15,254,027**	**1,582,813**	**16,836,840**
Balance as of January 1, 2013	$ 9,053,004	-	9,411,771	-	5,082,354	(138,522)	(234,099)	(11,396)	29,695	75,473	23,268,280	1,743,341	25,011,621
Net income for the period	-	-	-	-	2,868,686	-	-	-	-	-	2,868,686	163,587	3,032,273
Other comprehensive income for the period	-	-	-	-	-	847,777	(47,470)	5,863	(10,683)	(136,040)	659,447	41,590	701,037
Total comprehensive income for the period	-	-	-	-	2,868,686	847,777	(47,470)	5,863	(10,683)	(136,040)	3,528,133	205,177	3,733,310
Earnings distribution and appropriation:													
Special reserve appropriated	-	-	-	64,865	(64,865)	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(1,810,600)	-	-	-	-	-	(1,810,600)	-	(1,810,600)
Stock dividends of ordinary share	-	905,300	-	-	(905,300)	-	-	-	-	-	-	-	-
Other changes in capital surplus:													
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(184,132)	(184,132)
Balance as of June 30, 2013	**$ 9,053,004**	**905,300**	**9,411,771**	**64,865**	**5,170,275**	**709,255**	**(281,569)**	**(5,533)**	**19,012**	**(60,567)**	**24,985,813**	**1,764,386**	**26,750,199**

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

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REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Cash Flows

For the Six Months Ended June 30, 2012 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30, 2013	2012
Cash flows from operating activities：		
Profit before income tax	$ 4,227,757	2,537,584
Adjustments：		
Adjustments to reconcile profit：		
Depreciation expense	769,043	951,299
Amortization expense	31,910	19,760
(Gain) loss on financial assets and liabilities at fair value through profit or loss	21,956	8,303
Interest expense	2,003,656	1,954,161
Interest income	(7,680,830)	(6,175,006)
Dividend income	100	100
Share of (profit) loss of associates and joint ventures accounted for using equity method	3,088	(60)
(Gain) loss on disposal of property, plant and equipment	35,643	(9,447)
Gain on disposal of foreclosed assets	(2,966)	(128,757)
Impairment loss on financial assets	1,080,861	609,551
Impairment loss on non-financial assets	210,527	464,536
Total adjustments to reconcile profit (loss)	(3,527,012)	(2,305,560)
Change in operating assets and liabilities：		
Change in operating assets：		
(Increase) decrease in financial assets held for trading	(105,918)	13,783
Increase in accounts receivable	(23,253,592)	(14,547,447)
Proceeds from financial assets securitization	5,697,874	5,438,223
Increase in construction in progress	(110,705)	(69,806)
Decrease in other current financial assets	910,845	233,838
(Increase) decrease in other current assets	(1,837,784)	467,188
Proceeds from sales of operating lease assets	225,394	482,939
Purchase of operating lease assets	(1,231,457)	(921,071)
Decrease (increase) in other non-current assets – others	177,509	(421,792)
Total changes in operating assets	(19,527,834)	(9,324,145)
Changes in operating liabilities：		
Decrease in accounts payable	(773,487)	(1,096,201)
Increase in long-term and short-term debts	67,029,131	69,677,723
Repayment of long-term and short-term debts	(58,041,099)	(58,198,442)
Increase in other non-current financial liabilities	3,505,569	1,231,730
Increase in accrued pension liabilities	23,584	14,859
Increase (decrease) in other current liabilities-others	555,217	(60,468)
Increase in non-current liabilities	322,983	182,655
Total changes in operating liabilities	12,621,898	11,751,856
Total changes in operating assets and liabilities	(6,905,936)	2,427,711
Total adjustments	(10,432,948)	122,151
Cash outflow generated from operation	(6,205,191)	2,659,735
Interest received	7,665,942	6,166,533
Interest paid	(2,039,531)	(2,102,376)
Income taxes paid	(1,196,828)	(1,123,770)
Net cash (used in) provided by operating activities	(1,775,608)	5,600,122
Cash flows from investing activities：		
Proceeds from disposal of available-for-sale	24,417	219
Acquisition of held-to-maturity financial assets	(218,501)	(1,142,500)
Acquisition of property, plant and equipment	(48,221)	(247,825)
Proceeds from disposal of property, plant and equipment	502,930	178,893
Acquisition of intangible assets	(283)	(205)
Net cash provided by (used in) investing activities	260,342	(1,211,418)
Cash flows from financing activities：		
Distribution of cash dividend	-	(1,806,158)
Changes in non-controlling interests	(184,132)	218,920
Net cash used in financing activities	(184,132)	(1,587,238)
Effect of exchange rate changes on cash and cash equivalents	(299,878)	(151,665)
Net increase in cash and cash equivalents	(1,999,276)	2,649,801
Cash and cash equivalents, beginning of period	10,064,721	6,539,827
Cash and cash equivalents, end of period	$ **8,065,445**	**9,189,628**

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(1) Overview

Chailease Holding Company Limited (the "Company") is an investment holding company, which was founded on December 24, 2009 under the Company Act of Cayman Islands. The Company has been listed on the Main Board of the Taiwan Stock Exchange Corporation (TWSE) since December 13, 2011.

The Company and its subsidiaries ("the Group") were engaged primarily in providing various services of leasing and financial instruments.

As of June 30, 2013 and 2012, the Company had outstanding common stock of $9,053,004 and $7,853,004 divided into 905,300,378 shares and 785,300,378 shares, respectively.

(2) Financial Statements Authorisation Date and Authorisation Process

The interim consolidated financial statements were approved by the Audit Committee and reported to the Board of Directors and issued on August 13, 2013.

(3) New Standards and Interpretations not yet Adopted

The new accounting standards and interpretations issued by the IASB but not yet endorsed by the Financial Supervisory Commissions R.O.C. ("FSC") have not yet been adopted by the Group and may impact the accompanying consolidated financial statements.

Such new accounting standards and interpretations are the same as those disclosed in the interim consolidated financial statements for the three months ended March 31, 2013, except for the following:

Issue date	New standards and amendments	Description	Effective date per IASB
May 20, 2013	IFRIC 21 *Levies*	Providing guidelines on when to recognize a liability for a levy imposed by a government, both for levies that are accounted for in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and those where the timing and amount of the levy are certain.	January 1, 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

Issue date	New standards and amendments	Description	Effective date per IASB
May 29, 2013	Amended IAS 36 *Impairment of Assets*	Pursuant to the amendments to IAS 36 published in January 2013, an entity is required to disclose the recoverable amount for each cash-generating unit for which the carrying amount of goodwill or intangible assets with indefinite useful lives allocated to that unit is significant in comparison with the entity's total carrying amount of goodwill or intangible assets with indefinite useful lives. This provision is amended so that the recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. In addition, if the recoverable amount is based on fair value less costs of disposal, it is required to disclose the valuation technique(s) used for fair value measurements categorized within Levels 2 and 3 of the fair value hierarchy, and the key valuation assumptions made.	January 1, 2014; earlier application is permitted.
June 27, 2013	Amended IAS 39 *Financial Instruments*	Pursuant to the IASB published amendments to IAS 39 Financial Instruments: Recognition and Measurement entitled Novation of Derivatives and Continuation of Hedge Accounting, if the novation is made as a consequence of laws or regulations and results in one or more clearing counterparties becoming the new counterparty to each of the original parties to the novated derivative, then hedge accounting is continuously adopted, unless hedge documents prescribe otherwise, so that adoption of hedge accounting is discontinued under the current law.	January 1, 2014; earlier application is permitted.

For those new standards and interpretations mentioned above and disclosed in the interim consolidated financial statements for the three months ended March 31, 2013, the Group are still in the process of assessing the impact thereof to the consolidated financial statements at the time of adoption.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(4) Significant Accounting Policies

(a) Statement of compliance

The accompanying consolidated interim financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Report by securities Issuers and the preparation and guidelines of IAS 34 *Interim Financial Reporting* which are endorsed by FSC and do not include all of the information required for full annual financial statements.

These financial statements are the Group's first consolidated interim financial statements prepared under initial IFRS endorsed by the FSC for the preparation of annual financial statements and IFRS 1 *First-time Adoption of International Financial Reporting Standards*. An explanation of how the transition to IFRSs has affected the reported financial position, financial performance, and cash flows of the Group is provided in note (15).

The following significant accounting policies have been applied consistently to all periods presented in the accompanying interim consolidated financial statements, and have been applied consistently to the consolidated statement of financial position prepared under IFRS as endorsed by FSC as of January 1, 2012. Please refer to the interim consolidated financial statements for the three months ended March 31, 2013 for other related information.

(b) Basis of preparation

For related information about basis of measurement and functional and presentation currency, please refer to the interim consolidated financial statements for the three months ended March 31, 2013.

(c) Basis of consolidation

For related information about principles of preparation, please refer to the interim consolidated financial statements for the three months ended March 31, 2013.

1.Subsidiaries included in the consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2013.6.30	2012.12.31	2012.6.30	2012.1.1	Note
The Company	Chailease International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease International Financial Services Co., Ltd	Installment sales, leasing overseas and financial consulting	100.00 %	- %	- %	- %	The subsidiary was established on April 2, 2013.

(Amounts Expressed in Thousands of New Taiwan Dollars)

		Primary	Shareholding Ratio				
Investor	Name of Subsidiary	Business	2013.6.30	2012.12.31	2012.6.30	2012.1.1	Note
Golden Bridge (B.V.I.) Corp. and My Leasing (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chailease International Finance Corporation	Leasing	100.00 %	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp. and Chailease International Finance Corporation	Chailease Finance International Corp.	Leasing	100.00 %	100.00 %	100.00 %	100.00 %	
Chailease International Finance Corporation	Chailease International Corp.	Trading	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Jirong Real Estate Co., Ltd.	House property leasing and management	100.00 %	100.00 %	- %	- %	The subsidiary was established on November 12, 2012.
Chailease Internatioal Company (Malaysia) Limited	Chailease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease International (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	100.00 %	
Chailease International (B.V.I.) Corp.	Chailease International (Mauritius) Corp.	Investment	- %	- %	100.00 %	100.00 %	The subsidiary was established on January 29, 2008. The subsidiary was dissolved in December, 2012.
Chailease Finance Co., Ltd.	Fina Finance & Tranding Co., Ltd.	Installment sales, trading, and factoring	99.52 %	99.52 %	99.51 %	99.51 %	
〃	China Leasing Co., Ltd.	Installment sales	100.00 %	100.00 %	100.00 %	100.00 %	
〃	My Leasing (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	100.00 %	

(Amounts Expressed in Thousands of New Taiwan Dollars)

		Primary	Shareholding Ratio				
Investor	**Name of Subsidiary**	**Business**	**2013.6.30**	**2012.12.31**	**2012.6.30**	**2012.1.1**	**Note**
Chailease International Company (Malaysia) Limited and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	48.18 %	37.43 %	The subsidiary was consolidated due to the Company's power to control and govern the financial, operating and personnel policies of the subsidiary, despite its ownership was lower than 50% of the subsidiary's outstanding shares.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Co., Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease Auto Rental Co., Ltd. (F/K/A Chailease Auto Service Co., Ltd.)	Leasing	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Chailease Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	- %	- %	- %	The subsidiary was established on January 29, 2013.

(Amounts Expressed in Thousands of New Taiwan Dollars)

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2013.6.30	2012.12.31	2012.6.30	2012.1.1	Note
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd	Factoring and installment sales	100.00 %	100.00 %	100.00 %	100.00 %	
The Company and Chailease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Leasing, real estate, and mortgage	100.00 %	100.00 %	100.00 %	100.00 %	
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	100.00 %	100.00 %	
〃	Grand Pacific Warehouse Funding Corp.	Real estate development	100.00 %	100.00 %	100.00 %	100.00 %	
Grand Pacific Holdings Corp.	Grand Pacific Business Loan LLC. 2005-1	Special Purpose Entity	- %	- %	- %	- %	The subsidiary was established on June 27, 2005.
Grand Pacific Warehouse Funding Corp.	Grand Pacific Warehouse Funding LLC.	Special Purpose Entity	100.00 %	100.00 %	100.00 %	100.00 %	
Grand Pacific Business Loan LLC. 2005-1	Grand Pacific Business Loan Trust 2005-1	Special Purpose Entity	- %	- %	- %	- %	The subsidiary was established on June 27, 2005.
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	99.99 %	99.99 %	

2.Subsidiaries excluded from the interim consolidated financial statements: None.

(5) Significant Accounting Judgments, Estimations, Assumptions, and Sources of Estimation Uncertainty

The accompanying condensed consolidated interim financial statements were prepared in accordance with IAS 34 “Interim Financial Reporting” as endorsed by FSC, which requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The bases of key accounting assumptions, judgments and estimation uncertainty used in preparing the quarterly consolidated quarterly financial statements are consistent with the Group’s first annual financial statements prepared under IFRSs (endorsed by the FSC).

Critical judgments made in applying the accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements were as follows:

(a) Financial asset and liability classification

At initial recognition, financial assets and liabilities are categorized or designated depending on the following circumstances:

1. Financial assets or liabilities are designated as "trading", if they meet the criteria for being classified as trading assets and liabilities as set out in accounting policy disclosure note 4(g), which was disclosed in the interim consolidated financial statements for the three months ended March 31, 2013.

2. Financial assets or liabilities are designated as at fair value through profit or loss, if they met one of the criteria for being designated as such as set out in accounting policy disclosure note 4(g), which was disclosed in the interim consolidated financial statements for the three months ended March 31, 2013.

3. Financial assets are designated as held-to-maturity, if the Group have both the positive intention and ability to hold the assets until their maturity date in accordance with the accounting policy disclosure note 4(g), which was disclosed in the interim consolidated financial statements for the three months ended March 31, 2013.

(b) Securitizations

In applying its accounting policies on securitized financial assets, the Group have evaluated both the extent of risks and rewards on assets transferred to another entity and the extent of the Group's control over the other entity:

1. If the Group, in substance, control the entity in which financial assets have been transferred, the entity is included in the consolidated financial statements and the transferred assets are recognized in the Group's consolidated balance sheet.

2. If the Group have transferred financial assets to another entity, but have not transferred substantially all of the risk and rewards relating to the transferred assets, the assets are recognized in the Group's consolidated balance sheet.

3. If the Group transfer substantially all the risk and rewards relating to the transferred assets to an entity that it does not control, the assets are derecognized from the Group's consolidated balance sheet.

Details of the Group's securitization activities are discussed under the accounting policy disclosure note 4(h) and note 6(c), of the interim consolidated financial statements for the three months ended March 31, 2013.

The following involves assumptions and estimation uncertainties that have a significant risk of a material adjustment within the next 9 months.

(a) Impairment losses on loans and receivables

Impairment allowances on loans and receivables represent management's best estimate of losses incurred in the loan portfolios at the balance sheet date. Management is required to exercise judgement in making assumptions and estimations when calculating loan and receivables impairment allowances on both individually and collectively assessed loans and receivables.

The specific counterparty component of the total allowance for impairment applies to financial assets evaluated individually for impairment and is based upon management's best estimate of the present value of the estimated future cash flows that are expected to be received. In estimating these cash flows, management makes judgements on counterparty's financial situation and the net realizable value of any underlying collateral. The Group recognize an impairment loss on the excess of carrying value over the recoverable amount of the estimated cash flows.

All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics. The current methodology used for impairment assessment is subject to estimation of uncertainty, because it is not practicable to identify losses individually due to the large number of insignificant loans in the portfolio. In addition, the statistical analyses of historical information is supplemented with significant judgement to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to be greater or less than that suggested by historical experience. In normal circumstances, historical experience provides the most objective and relevant information from which to assess inherent loss within each portfolio. In certain circumstances, historical loss experience provides certain less relevant information about the inherent loss in a given portfolio at the balance sheet date, for example, where there have been changes in economic, regulatory or behavioural conditions such that the most recent trends in the portfolio risk factors are not fully reflected in the statistical models of impairment assessment. In these circumstances, such factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment allowances derived solely from historical loss experience.

This key area of judgement is subject to uncertainty and is highly sensitive to factors such as loan portfolio growth, product mix, unemployment rates, bankruptcy trends, geographic concentrations, economic conditions such as national and local trends in housing markets, the level of interest rates, account management policies and practices, changes in laws and regulations, and other factors that can affect customer payment patterns. Different factors are applied in different regions and countries to reflect different economic and credit conditions and laws and regulations. The assumptions underlying this judgement are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience. For example, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure they remain appropriate.

(b) Impairment losses on non-financial assets

The Group review the carrying amounts of the assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount or value in use is estimated. Determining the value in use of non-financial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group’s financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believe that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charges.

(c) Impairment of available for sale investment securities

Significant judgement is required in determining the impairment of the available for sale investment securities at each reporting date and this requires management to make estimates and assumptions that can affect the financial statements. Management is required to exercise judgement in determining whether there is objective evidence that an impairment loss has occurred.

The best evidence of whether there is indication of impairment loss for quoted investment securities is the quoted prices in an actively traded market. For unquoted investment securities, in the event that the market for the unquoted investment securities is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain unquoted investment securities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgement to calculate a fair value than those based wholly on observable inputs and consequently, the determination of whether there any indication of impairment is subject to a high degree of variability.

Once impairment has been identified, the amount of impairment loss is measured in relation to the fair value of the asset. Any resulting impairment losses could have an impact on the Group’s financial results.

(d) Determining fair values

For financial instruments which are traded infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgement depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument. The determination of fair value for financial assets and liabilities with no observable market price requires the use of valuation techniques as described in accounting policy disclosure note 6(s).

(Amounts Expressed in Thousands of New Taiwan Dollars)

(6) Explanation to Significant Accounts

Except as described in the following paragraphs, there were no significant differences with those disclosed in the interim consolidated financial statements for the three months ended March 31, 2013. Please refer to the interim consolidated financial statements for the three months ended March 31, 2013 for other related information.

(a) Cash and cash equivalents

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Cash and demand deposits	$ 7,874,370	9,996,533	9,326,468	6,328,629
Time deposits	342,849	132,899	6,586	226,443
Cash equivalents	13,007	1,999	-	2,998
Cash and cash equivalents	8,230,226	10,131,431	9,333,054	6,558,070
Bank overdraft	(164,781)	(66,710)	(143,426)	(18,243)
Cash and cash equivalents in consolidated statement of cash flows	**$ 8,065,445**	**10,064,721**	**9,189,628**	**6,539,827**

The Group's interest risk and sensitivity analysis of financial assets and liabilities was disclosed in Note (6)(s).

Time deposits with maturities of less than one year, which are used for short-term cash commitments instead of investment and are subject to an insignificant risk of changes in their fair value, are classified as cash and cash equivalents.

(b) Financial instruments

1.Details of financial assets were as follows：

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Financial assets at fair value through profit or loss				
Held for trading				
Securities of listed companies	$ 340,143	236,246	252,207	240,841
Sub-total	340,143	236,246	252,207	240,841
Designated as at fair value through profit or loss				
2010 securitization	907,678	950,778	966,589	982,590
2011 securitization	839,180	840,780	849,552	855,701
Sub-total	1,746,858	1,791,558	1,816,141	1,838,291
	2,087,001	2,027,804	2,068,348	2,079,132

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Available-for-sale financial assets				
Emerging stock	545,704	644,754	622,555	554,117
Private equity	608,244	557,875	588,232	531,641
Sub-total	1,153,948	1,202,629	1,210,787	1,085,758
Held-to-maturity financial assets				
Investment in debt securities	2,705,601	2,487,100	1,422,500	280,000
Total	$ 5,946,550	5,717,533	4,701,635	3,444,890

2.Sensitivity analysis－ equity price risk：

If the equity price changes, and if this sensitivity analysis is based on the same basis of all other variables for both year, the impact to other comprehensive income will be as follows:

	For the six months ended June 30,			
	2013		2012	
Equity price at reporting day	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increase 7%	$ 80,833	23,810	84,810	17,654
Decrease 7%	$ (80,833)	(23,810)	(84,810)	(17,654)

Based on the results of the Group's assessment, impairment loss of $1,263, $385, $1,263 and $3,129 were recognized on available-for-sale financial assets for the three months and the six months ended June 30, 2013 and 2012, respectively.

The Group purchased debt securities issued by real estate trust. These debt securities have maturity dates between 2013 and 2016, and bear effective annual interest rate ranging from 4.91%~8.99%.

Portion of investments in equity securities was provided as collaterals for the issuance of short-term bills payable, as well as long and short term debts, which were discussed further in Note (8).

(Amounts Expressed in Thousands of New Taiwan Dollars)

3.Details of financial liabilities were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivative instruments not used for hedging	$ (1,570)	(5,007)	(12,173)	(757)
Derivative financial liabilities used for hedging	(5,533)	(11,396)	(10,825)	(15,988)
Total	$ (7,103)	(16,403)	(22,998)	(16,745)

4.Derivative instrument not used for hedging

Derivative financial instruments are used to manage certain interest risk, arising from the Group's operating, financing and investing activities. As of June 30, 2013, and December 31, June 30, January 1, 2012, derivative financial instruments accounted for as held-for-trading financial liabilities were as follows:

Cross currency swap contract

	2013.6.30			
Nominal Amount	Currency	Payable Interest Rate	Receivable Interest Rate	Contract Period
USD 20,000	USD to CNY	3.700%	90 Days Libor + 1.8%	2013.04.29~
CNY 123,510				2016.04.29

Interest rate swap contract

	2013.6.30			
Nominal Amount	Contract Period	Payable Interest Rate	Receivable Interest Rate	Swap Period
CNY 300,000	2012.03.20~2015.03.20	2.960 %	Interest rate of one-year time deposit	3 years

	2012.12.31			
Nominal Amount	Contract Period	Payable Interest Rate	Receivable Interest Rate	Swap Period
TWD 200,000	2011.03.17~2013.03.18	0.980%	90 Days CP	2 years
TWD 200,000	2011.03.21~2013.03.21	0.975%	90 Days CP	2 years
CNY 300,000	2012.03.20~2015.03.20	2.960%	Interest rate of one-year time deposit	3 years

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30			
Nominal Amount	**Contract Period**	**Payable Interest Rate**	**Receivable Interest Rate**	**Swap Period**
TWD 200,000	2011.03.17~2013.03.18	0.980%	90 Days CP	2 years
TWD 200,000	2011.03.21~2013.03.21	0.975%	90 Days CP	2 years
CNY 300,000	2012.03.20~2015.03.20	2.960%	Interest rate of one-year time deposit	3 years

	2012.1.1			
Nominal Amount	**Contract Period**	**Payable Interest Rate**	**Receivable Interest Rate**	**Swap Period**
TWD 200,000	2011.03.17~2013.03.18	0.980%	90 Days CP	2 years
TWD 200,000	2011.03.21~2013.03.21	0.975%	90 Days CP	2 years

5.Derivative instruments used for hedging

As of June 30, 2013, and December 31, June 30, January 1, 2012, the Group held derivative instruments qualified for hedge accounting as follows:

	2013.6.30			
Nominal Amount	**Contract Period**	**Payable Interest Rate**	**Receivable Interest Rate**	**Swap Period**
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

	2012.12.31			
Nominal Amount	**Contract Period**	**Payable Interest Rate**	**Receivable Interest Rate**	**Swap Period**
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

	2012.6.30			
Nominal Amount	**Contract Period**	**Payable Interest Rate**	**Receivable Interest Rate**	**Swap Period**
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2012.1.1			
Nominal Amount		Contract Period	Payable Interest Rate	Receivable Interest Rate	Swap Period
TWD	400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD	50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD	50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

1) Cash flow hedge

The subsidiary, Chailease Finance Co., Ltd., entered into an interest swap contract with a bank to hedge the future cash flow out of unsecured corporate bonds.

		Fair Value					
Item to be Hedged	Hedge Instrument	2013.6.30	2012.12.31	2012.6.30	2012.1.1	Expected Cash flow Period	Hedge Period
Unsecured corporate bonds	Interest Swap	$ (5,533)	(11,396)	(10,825)	(15,988)	2010~2016	2010~2016

	For the three months ended June 30,		For the six months ended June 30,	
Item	2013	2012	2013	2012
Adjusted amount charged to equity	$ 3,928	1,848	5,863	5,163

2) Hedge of net investment in foreign operation

The fair value of the equity investment in foreign investee, Golden Bridge (B.V.I) Corp., may be influenced by the fluctuation of USD exchange rate. The Company designated its USD borrowings to hedge the exchange rate fluctuation risk from this investment. The details of net investment hedge in foreign operation and designated derivatives as of June 30, 2013, and December 31, June 30, January 1, 2012, were as follows:

	Designated Hedging Instrument				
		Fair Value			
Item to be Hedged	Hedge Instrument	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Equity investment measured in USD	Foreign currency borrowings	$ 1,374,185	609,855	969,968	-

There were no ineffectiveness recognized in profit or loss that arises from hedges of net investments in the foreign operation, Golden Bridge (B.V.I) Corp., for the six months ended June 30, 2013 and 2012.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(c) Financial assets securitization

1. 2011 Securitization

In 2011, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, and capital leases receivable, with an aggregate carrying amount of $5,000,229. Such securitization was made by way of offering the securities in the form of beneficiary certificates, with the Land Bank of Taiwan as the Trustee. Accordingly, the Group received $4,154,000 in cash from issuing these beneficiary certificates, resulting in a loss of $9,533 from this asset securitization. These beneficiary certificates are redeemable for the period from November 24, 2011 to November 24, 2016. Specific terms and conditions of the beneficiary certificates are as follows:

Class of beneficiary certificates issued	Order of principal repayment	Issue amount /par value	Issue price	Interest rate	Payment frequency
twAAA	1st	3,830,000	3,830,000	2.20 %	Monthly
twA	2nd	324,000	324,000	3.00 %	Monthly
Subordinated	3rd	846,229	991,210	None	Monthly

Key assumptions at the securitization date:

	November 24, 2011 (securitization date)
Repayment rate	9.4500 %
Expected return rate on securitized financial assets	9.4000 %
Weighted-average life (in years)	4.83
Expected credit loss rate	1.65%～3.07%
Discount rate for cash flows	2.56 %

The Group hold subordinated beneficiary certificates and retain the right to interest (if any) in excess of the amount paid to the holders of twAAA and twA beneficiary certificates. If debtors default, neither the investor nor trustee has the right of recourse to the Group. The repayment of the principal amount of subordinated beneficiary certificates is subordinate to the investors' certificates and their value is affected by the credit risk, prepayment rate and change in interest rate of the securitized financial assets.

(Amounts Expressed in Thousands of New Taiwan Dollars)

1) Key assumptions used in measuring retained interests:

The key assumptions used in measuring subordinated seller certificates arise from the financial assets securitization at each reporting date were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Repayment rate	9.11 %	9.49 %	9.73 %	9.72 %
Expected return rate on securitized financial assets	9.17 %	9.19 %	9.34 %	9.68 %
Weighted-average life (in years)	3.42	3.83	4.25	4.75
Expected credit loss rate (Note)	1.85%~6.30%	1.85%~6.30%	1.85%~6.30%	1.85%~6.30%
Discount rate for residual cash flows	4.00 %	4.00 %	4.00 %	4.00 %

2) Sensitivity analysis

At each reporting date, the key assumptions and sensitivity analysis of the current fair value of residual cash flows with immediate 10% and 20% adverse changes in these assumptions were as follows:

	2013.6.30	2012.6.30
Carrying amount of retained interests	839,180	849,552
Weighted－average life (in years)	3.42	4.25
Repayment rate	9.11 %	9.73 %
Effect on fair value with 10% adverse change	(21,412)	(21,621)
Effect on fair value with 20% adverse change	(39,687)	(40,049)
Expected credit losses	4.58%	4.58%
Effect on fair value with 10% adverse change	(23,059)	(23,172)
Effect on fair value with 20% adverse change	(46,112)	(46,350)
Discount rate for residual cash flows	4.00 %	4.00 %
Effect on fair value with 10% adverse change	(6,323)	(6,148)
Effect on fair value with 20% adverse change	(12,584)	(12,236)

3) Expected static pool credit losses

As the securitized conditional sales receivable, installment sales receivable, and capital leases receivable do not have actual credit losses as of the balance sheet date, the expected static pool credit losses are, therefore, equal to the expected credit losses.

(Amounts Expressed in Thousands of New Taiwan Dollars)

4) Cash flows

The cash flows received from and paid to securitization trusts were as follows:

	For the six months ended June 30,	
	2013	**2012**
Other cash flows received on retained interests	$ 175,753	179,605
Service fees received	2,380	2,380

Note: The securitization of debts is revolving and the expected credit loss rate of retained interests is evaluated and adjusted during the issue period.

2.2010 Securitization

In 2010, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, and capital leases receivable, with an aggregate carrying amount of $5,274,997. Such securitization was made by way of offering the securities in the form of beneficiary certificates, with the Land Bank of Taiwan as the Trustee. Accordingly, the Group received $4,255,000 in cash from issuing these beneficiary certificates, resulting in a gain of $43,516 from this asset securitization. These beneficiary certificates are redeemable for the period from August 13, 2010 to August 26, 2017. Specific terms and conditions of the beneficiary certificates are as follows:

Class of beneficiary certificates issued	Order of principal repayment	Issue amount /par value	Issue price	Interest rate	Payment frequency
twAAA	1st	3,880,000	3,880,000	2.80 %	Monthly
twA	2nd	375,000	375,000	3.50 %	Monthly
Subordinated	3rd	1,019,997	1,124,727	None	Monthly

Key assumptions at the securitization date:

	August 13, 2010 (securitization date)
Repayment rate	8.5600 %
Expected return rate on securitized financial assets	9.4843 %
Weighted-average life (in years)	3.83
Expected credit loss rate	2.26%～4.20%
Discount rate for cash flows	3.08 %

(Amounts Expressed in Thousands of New Taiwan Dollars)

The Group hold subordinated beneficiary certificates and retain the right to interest (if any) in excess of the amount paid to the holders of twAAA and twA beneficiary certificates. If debtors default, neither the investor nor trustee has the right of recourse to the Group. The repayment of the principal amount of subordinated beneficiary certificates is subordinate to the investors' certificates and their value is affected by the credit risk, prepayment rate and change in interest rate of the securitized financial assets.

1) Key assumptions used in measuring retained interests:

At each reporting date, the key assumptions used in measuring the subordinated seller certificates arise from the financial assets securitization were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Repayment rate	11.93 %	10.68 %	10.75 %	10.21 %
Expected return rate on securitized financial assets	9.09 %	9.10 %	9.24 %	9.28 %
Weighted-average life (in years)	2.17	2.67	3.08	3.58
Expected credit loss rate (Note)	1.85%~6.30%	1.85%~6.30%	1.85%~6.30%	1.85%~6.30%
Discount rate for residual cash flows	4.00 %	4.00 %	4.00 %	4.00 %

2) Sensitivity analysis

At each reporting date, the key economic assumptions and sensitivity analysis of the current fair value of residual cash flows with immediate 10% and 20% adverse changes in these assumptions were as follows:

	2013.6.30	2012.6.30
Carrying amount of retained interests	907,678	966,589
Weighted－average life (in years)	2.17	3.08
Repayment rate	11.93 %	10.75 %
Effect on fair value with 10% adverse change	(15,050)	(18,544)
Effect on fair value with 20% adverse change	(28,170)	(34,205)
Expected credit losses	4.58%	4.58%
Effect on fair value with 10% adverse change	(24,226)	(24,443)
Effect on fair value with 20% adverse change	(48,455)	(48,888)
Discount rate for residual cash flows	4.00 %	4.00 %
Effect on fair value with 10% adverse change	(5,249)	(6,316)
Effect on fair value with 20% adverse change	(10,460)	(12,580)

(Amounts Expressed in Thousands of New Taiwan Dollars)

3) Expected static pool credit losses

As the securitized conditional sales receivable, installment sales receivable, and capital leases receivable do not have actual credit losses as of the balance sheet date, the expected static pool credit losses are, therefore, equal to the expected credit losses.

4) Cash flows

The cash flows received from and paid to securitization trusts were as follows:

	For the six months ended June 30,	
	2013	2012
Other cash flows received on retained interests	$ 173,670	184,965
Service fees received	2,511	2,511

Note: The securitization of debts is revolving and the expected credit loss rate of retained interests is evaluated and adjusted during the issue period.

(d) Accounts receivable, net

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Current				
Accounts receivable	$ 6,332,242	5,334,099	4,877,990	4,926,958
Less: Allowance for impairment	(451,252)	(255,260)	(241,979)	(216,261)
	5,880,990	5,078,839	4,636,011	4,710,697
Installment sales receivable	48,483,714	43,791,147	40,515,632	35,508,378
Less: Unearned interests	(4,922,671)	(4,529,770)	(4,260,524)	(3,759,763)
Allowance for impairment	(1,375,878)	(1,403,391)	(1,211,795)	(1,163,288)
	42,185,165	37,857,986	35,043,313	30,585,327
Leases receivable	62,886,639	59,881,642	49,864,152	48,477,931
Less: Unearned revenue	(7,547,355)	(7,565,516)	(6,216,107)	(6,529,206)
Allowance for impairment	(1,721,813)	(1,831,764)	(1,344,859)	(1,055,102)
	53,617,471	50,484,362	42,303,186	40,893,623
Loans receivable	22,138,317	18,304,227	15,215,437	14,435,949
Less: Allowance for impairment	(791,655)	(755,206)	(697,964)	(786,489)
	21,346,662	17,549,021	14,517,473	13,649,460
Sub-total of current amounts	123,030,288	110,970,208	96,499,983	89,839,107

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Non-Current				
Accounts receivable	1,826,195	699,831	607,710	471,310
Less: Allowance for impairment	(29,931)	(31,117)	(30,071)	(28,234)
	1,796,264	668,714	577,639	443,076
Installment sales receivable	22,058,351	19,019,127	16,728,350	14,411,516
Less: Unearned Interests	(2,109,781)	(1,788,264)	(1,553,899)	(1,325,569)
Allowance for impairment	(191,924)	(179,331)	(158,341)	(127,054)
	19,756,646	17,051,532	15,016,110	12,958,893
Leases receivable	2,757,044	2,391,575	2,152,681	2,051,881
Less: Unearned revenue	(214,759)	(206,854)	(191,938)	(187,779)
Allowance for impairment	(67,029)	(46,766)	(30,105)	(28,902)
	2,475,256	2,137,955	1,930,638	1,835,200
Loans receivable	2,241,151	2,047,645	2,214,243	2,165,199
Less: Allowance for impairment	(110,854)	(163,423)	(237,245)	(241,415)
	2,130,297	1,884,222	1,976,998	1,923,784
Sub-total of non-current amounts	26,158,463	21,742,423	19,501,385	17,160,953
Total accounts receivable	**$ 149,188,751**	**132,712,631**	**116,001,368**	**107,000,060**

1. The movements in allowance for impairment with respect to accounts receivable during the period were as follows:

	For the six months ended June 30,	
	2013	**2012**
Opening balance	$ 4,666,258	3,646,745
Impairment loss recognised	1,079,598	606,422
Amounts written off	(1,123,199)	(261,863)
Foreign exchange gains (losses)	117,679	(38,945)
Ending balance	**$ 4,740,336**	**3,952,359**

2. Receivables arising from installment sales and capital leases transactions, which were partially pledged for the repayment or collaterals of bank loans, were discussed further in Note (8).

(Amounts Expressed in Thousands of New Taiwan Dollars)

3.The Group's capital leases receivable and related accounts were as follows:

	Gross investment in the leases	Unearned interest	Present value of minimum leases receivable
June 30, 2013			
Within operating cycle	$ 62,718,729	(7,547,355)	55,171,374
Period after operating cycle to 5 years	2,757,044	(214,759)	2,542,285
Period after 5 years	-	-	-
	$ 65,475,773	**(7,762,114)**	**57,713,659**
December 31, 2012			
Within operating cycle	$ 59,706,403	(7,565,516)	52,140,887
Period after operating cycle to 5 years	2,391,575	(206,854)	2,184,721
	$ 62,097,978	**(7,772,370)**	**54,325,608**
June 30, 2012			
Within operating cycle	$ 49,669,649	(6,216,107)	43,453,542
Period after operating cycle to 5 years	2,152,681	(191,938)	1,960,743
	$ 51,822,330	**(6,408,045)**	**45,414,285**
January 1, 2012			
Within operating cycle	$ 47,978,316	(6,529,206)	41,449,110
Period after operating cycle to 5 years	2,051,881	(187,779)	1,864,102
	$ 50,030,197	**(6,716,985)**	**43,313,212**

4.The future minimum operating leases receivable under non-cancellable leases was analyzed as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Within operating cycle	$ 1,526,265	1,566,557	1,990,095	3,571,986
Period after operating cycle to 5 years	1,285,889	1,023,480	992,393	309,473
	$ 2,812,154	**2,590,037**	**2,982,488**	**3,881,459**

(Amounts Expressed in Thousands of New Taiwan Dollars)

5.The Group's installment sales receivable and related accounts were as follows:

	Gross investment in the installment sales	Unearned interest	Present value of installment sales receivable
June 30, 2013			
Within operating cycle	$ 48,483,714	(4,922,671)	43,561,043
Period after operating cycle to 5 years	21,842,664	(2,101,946)	19,740,718
Period after 5 years	215,687	(7,835)	207,852
	$ 70,542,065	**(7,032,452)**	**63,509,613**
December 31, 2012			
Within operating cycle	$ 43,791,147	(4,529,770)	39,261,377
Period after operating cycle to 5 years	17,347,557	(1,707,581)	15,639,976
Period after 5 years	1,671,570	(80,683)	1,590,887
	$ 62,810,274	**(6,318,034)**	**56,492,240**
June 30, 2012			
Within operating cycle	$ 40,515,632	(4,260,524)	36,255,108
Period after operating cycle to 5 years	16,568,135	(1,547,839)	15,020,296
Period after 5 years	160,215	(6,060)	154,155
	$ 57,243,982	**(5,814,423)**	**51,429,559**
January 1, 2012			
Within operating cycle	$ 35,508,378	(3,759,763)	31,748,615
Period after operating cycle to 5 years	14,306,147	(1,321,611)	12,984,536
Period after 5 years	105,369	(3,958)	101,411
	$ 49,919,894	**(5,085,332)**	**44,834,562**

(e) Construction in progress and advance real estate receipts

In 2010, the subsidiaries namely, Chailease Finance Co., Ltd. and Chailease Construction & Development Corp., entered into an agreement with a related party, Yi Mao International Development Corp. for joint venture construction of housing units. Under this agreement, Yi Mao International Development Corp. invested its land for use in the construction. For the proceeds from the sale of the housing units, Yi Mao, the Group and Chailease Construction & Development Corp. share 18.11%, 40.945% and 40.945%, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

1.Construction in progress

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Tianmu area	$ 882,208	771,503	685,875	616,069
Allowance for valuation losses	-	-	-	-
Tianmu area	**$ 882,208**	**771,503**	**685,875**	**616,069**

2.Advance real estate receipts

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Tianmu area	**$ 342,280**	**302,039**	**213,393**	**173,091**

3.The details of construction in progress-capitalized interest

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Interest expense before capitalization	$ 1,003,162	970,754	2,007,253	1,957,992
Capitalized interest	1,875	1,843	3,597	3,831
Capitalized interest rate	1.51 %	1.62 %	1.51 %	1.75 %

4.The Group provided the land for use in the construction to a commercial bank as collateral for the loan obtained by the Group to finance such construction project, which is discussed further in Note (8).

(f) Other current assets - others

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Prepayments	$ 707,714	860,022	428,957	430,708
Prepaid expenses	1,064,684	476,868	190,398	354,050
Foreclosed assets	104,172	101,817	106,179	318,445
Others	760,944	3,660	15,780	76,300
	$ 2,637,514	**1,442,367**	**741,314**	**1,179,503**

As of June 30, 2013, and December 31, June 30, January 1, 2012, foreclosed assets held by the Group were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Foreclosed assets	$ 122,366	127,097	125,551	385,396
Less: Accumulated impairment	(18,194)	(25,280)	(19,372)	(66,951)
	$ 104,172	**101,817**	**106,179**	**318,445**

(Amounts Expressed in Thousands of New Taiwan Dollars)

For the three months and the six months ended June 30, 2013 and 2012, the Group recognised an impairment loss of $2,615, $777, $4,491 and $1,660, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and recognized a disposal gain thereon of $2,966, $22,489, $2,966 and $128,757 for the three months and the six months ended June 30, 2013 and 2012, respectively.

(g) Investments accounted under equity method

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Investments in associates	$ 4,029	7,062	1,203	1,243

Portion of its investments in equity securities was provided as collaterals for the issuance of short-term bills payable, as well as long and short-term debts, which were discussed further in Note (8).

(h) Property, plant and equipment

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Carrying amounts:					
Balance at January 1, 2013	$ 1,057,541	3,170,355	2,250,076	26,723	6,504,695
Balance at June 30, 2013	$ 1,087,445	3,624,025	1,421,139	30,641	6,163,250
Balance at January 1, 2012	$ 1,009,407	2,408,656	5,286,133	19,414	8,723,610
Balance at June 30, 2012	$ 1,066,146	2,653,618	3,924,406	112,741	7,756,911

There were no significant additions, disposals, or recognition and reversal of impairment losses for the six months ended June 30, 2013 and 2012. Information of depreciation for the period is discussed in Note (12)(b).

1.The movements of assets held for lease, which were included in property, plant and equipment of the Group, were as follows:

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Total
Cost:				
Balance at January 1, 2013	$ 1,061,719	4,249,709	6,353,393	11,664,821
Additions	-	1,173,922	57,535	1,231,457
Disposals	-	(538,876)	(2,146,524)	(2,685,400)
Effect of movements in exchange rate	-	26,226	310,717	336,943
Balance at June 30, 2013	$ 1,061,719	4,910,981	4,575,121	10,547,821

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Total
Balance at January 1, 2012	$ 1,061,719	3,326,418	11,329,738	15,717,875
Additions	-	876,281	44,790	921,071
Disposals	-	(550,879)	(988,556)	(1,539,435)
Effect of movements in exchange rate	-	(8,961)	(249,177)	(258,138)
Balance at June 30, 2012	**$ 1,061,719**	**3,642,859**	**10,136,795**	**14,841,373**
Depreciation and impairment losses:				
Balance at January 1, 2013	$ 326,431	1,116,325	4,255,443	5,698,199
Depreciation for the period	4,827	392,065	325,152	722,044
Impairment loss	(35,000)	114,023	129,979	209,002
Disposals	-	(302,652)	(1,619,975)	(1,922,627)
Effect of movements in exchange rate	-	6,576	217,525	224,101
Balance at June 30, 2013	**$ 296,258**	**1,326,337**	**3,308,124**	**4,930,719**
Balance at January 1, 2012	$ 316,776	953,502	6,173,166	7,443,444
Depreciation for the period	4,827	288,647	608,972	902,446
Impairment loss	-	56,306	406,570	462,876
Disposals	-	(274,410)	(695,003)	(969,413)
Effect of movements in exchange rate	-	(1,504)	(132,401)	(133,905)
Balance at June 30, 2012	**$ 321,603**	**1,022,541**	**6,361,304**	**7,705,448**
Carrying amounts:				
Balance at January 1, 2013	**$ 735,288**	**3,133,384**	**2,097,950**	**5,966,622**
Balance at June 30, 2013	**$ 765,461**	**3,584,644**	**1,266,997**	**5,617,102**
Balance at January 1, 2012	**$ 744,943**	**2,372,916**	**5,156,572**	**8,274,431**
Balance at June 30, 2012	**$ 740,116**	**2,620,318**	**3,775,491**	**7,135,925**

Recognition and reversal of impairment losses were accounted for as the cost of rental revenue.

An assessment was made by the Group based on the recoverable amount of assets to determine there is any indication of impairment loss.

2. Assets held for lease, which were partially pledged for the Group’s long-term debts and short-term debts, were discussed further in Note (8).

(Amounts Expressed in Thousands of New Taiwan Dollars)

(i) Intangible assets

	Goodwill	Software	Total
Carrying amounts:			
Balance at January 1, 2013	$ 3,728	19,359	23,087
Balance at June 30, 2013	$ 3,728	19,834	23,562
Balance at January 1, 2012	$ 3,728	20,941	24,669
Balance at June 30, 2012	$ 3,728	19,038	22,766

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2013 and 2012. Information on amortization for the period is discussed in Note (12)(b).

(j) Long-term and short-term borrowings

The significant terms and conditions of long-term borrowings and short-term borrowings were as follows:

	2013.6.30			
	Currency	Interest Rate	Period	Amount
Secured bank loans	TWD	1.32%~1.92%	2013~2015	$ 636,088
〃	USD	0.67%~3.34%	2013~2030	1,841,904
〃	THB	3.17%~4.80%	2013~2016	5,433,804
〃	CNY	5.40%~7.68%	2013~2016	3,869,355
〃	VND	4.59%~9.50%	2013~2016	792,705
Unsecured bank loans	TWD	1.1%~2.32%	2013~2016	51,904,207
〃	USD	1.14%~2.94528%	2012~2016	11,301,279
〃	EUR	1.38%~1.39%	2013	34,061
〃	THB	3.27%~7.38%	2013~2015	4,361,547
〃	JPY	1.2%~1.4112%	2013~2017	209,656
〃	CNY	5.40%~7.68%	2013~2016	25,506,674
Other unsecured loans	THB	2.80%~3.40%	2013~2014	9,164,750
Total				$ 115,056,030
Current				$ 94,826,595
Non-current				20,229,435
Total				$ 115,056,030

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.12.31			
	Currency	Interest Rate	Period	Amount
Secured bank loans	TWD	1.26%~1.915%	2013~2014	$ 984,244
〃	USD	0.62%~3.3403%	2013~2030	2,026,706
〃	THB	3.42%~4.80%	2013~2015	6,531,475
〃	CNY	5.4%~8.18%	2013~2015	5,454,585
〃	VND	5.30%~18.50%	2013~2014	657,855
Unsecured bank loans	TWD	1.11%~3.25%	2013~2015	43,472,767
〃	USD	1.2275%~3.42%	2013~2015	8,761,850
〃	EUR	1.42%	2013	20,015
〃	THB	3.50%~7.38%	2013	2,839,579
〃	JPY	1.23%~1.4053%	2013~2016	199,814
〃	CNY	6.64%~8.18%	2013~2015	28,075,860
Other unsecured loans	THB	3.05%~3.65%	2013	7,296,712
Total				**$ 106,321,462**
Current				$ 94,390,011
Non-current				11,931,451
Total				**$ 106,321,462**

	2012.6.30			
	Currency	Interest Rate	Period	Amount
Secured bank loans	TWD	1.260%~1.915%	2012~2014	$ 934,244
〃	USD	0.66%~3.46565%	2012~2030	2,233,235
〃	THB	3.68%~6.00%	2012~2013	6,674,080
〃	CNY	6.56%~8.79%	2012~2015	6,377,903
〃	VND	14.02%~18.05%	2012~2014	598,603
Unsecured bank loans	TWD	1.118%~2.286%	2012~2015	39,384,164
〃	USD	1.3167%~3.65%	2012~2015	10,423,970
〃	THB	3.75%~7.38%	2012~2013	3,485,847
〃	JPY	1.24%~1.412%	2012~2014	270,577
〃	CNY	8.57%	2013	24,989,857
Other unsecured loans	THB	3.30%~4.00%	2012	5,261,348
Total				**$ 100,633,828**
Current				$ 88,960,722
Non-current				11,673,106
Total				**$ 100,633,828**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.1.1			
	Currency	Interest Rate	Period	Amount
Secured loans	TWD	1.26%~1.98%	2012~2014	$ 1,184,451
〃	USD	0.61%~3.50%	2012~2030	1,131,075
〃	THB	3.85%~6.125%	2012~2013	7,679,012
〃	CNY	5.99%~8.79%	2012~2014	8,318,994
〃	VND	16.50%~19.50%	2012~2014	550,263
Unsecured loans	TWD	0.965%~2.30%	2012~2014	33,586,571
〃	USD	1.1728%~3.95%	2012~2014	9,301,267
〃	THB	4.10%~7.50%	2012~2013	2,738,697
〃	JPY	1.28%~1.43%	2012~2015	330,015
〃	CNY	5.40%~8.31%	2012~2014	25,600,885
Other unsecured loans	THB	3.50%~4.00%	2012	4,119,603
Total				**$ 94,540,833**
Current				$ 77,372,538
Non-current				17,168,295
Total				**$ 94,540,833**

For information on the Group's interest risk, currency risk, and liquidity risk, please refer to Note (6)(s). For information on the debts of related parties, please refer to Note (7).

1.Securities for bank loans

Certain assets of the Group which were pledged for the repayment of aforementioned loans were disclosed in Note (8).

2.Financial covenants of significant loans and borrowings

1) A subsidiary, Chailease Finance Co., Ltd. entered into several syndicated credit agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth , etc.) Otherwise, the loans are due and payable immediately.

2) A subsidiary, Chailease Finance (B.V.I.) Co., Ltd. also entered into several syndicated credit/loan agreements with financial institutions, under which, Chailease Finance Co., Ltd. shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

3) A subsidiary, Asia Sermkij Leasing Public Co., Ltd. likewise entered into several credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.

4) A subsidiary, GPLA, entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loan is due and payable immediately.

5) A subsidiary, Fina Finance & Trading Co., Ltd. entered into several syndicated credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. current ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

6) A subsidiary, Chailease International Finance Corp. Ltd. entered into several credit/loan agreements with financial institutions. Under these agreements, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, equity ratio, interest coverage ratio, total risk assets to net assets ratio, overdue leased assets to leased assets ratio, leasing rental recovery ratio, etc.) Otherwise, the loans are due and payable immediately.

7) A subsidiary, Chailease Finance International Corp. entered into several credit/loan agreements with financial institutions. Under these agreements, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, risk assets to net assets ratio, etc.) Otherwise, the loans are due and payable immediately.

8) A subsidiary, Chailease Consumer Finance Co., Ltd. entered into several syndicated credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. current ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

(Amounts Expressed in Thousands of New Taiwan Dollars)

3.Settlement of long-term debts

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Within operating cycle	Beyond operating cycle	Within operating cycle	Beyond operating cycle	Within operating cycle	Beyond operating cycle	Within operating cycle	Beyond operating cycle
Long-term debts	$ 2,041,220	-	2,203,851	-	2,367,892	-	2,533,345	-
Less: Unamortized discount	(20,220)	-	(41,851)	-	(64,892)	-	(89,345)	-
Receivables under capital leases and installment sales (Note)	(2,021,000)	-	(2,162,000)	-	(2,303,000)	-	(2,444,000)	-
Net	$ -	-	-	-	-	-	-	-

Note: Net of unearned interest income and guarantee deposits.

A subsidiary, Chailease Finance Co., Ltd., purchased aircrafts and engines, and raw materials from a third party which were financed through long-term bank debts of $10,375,000. This subsidiary mortgaged these assets to the banks concerned and leased these aircrafts back to the third party under capital leases arrangements (from July, 2003 to July, 2013) and sold these raw materials back to the third party under installment sales arrangement for the same amount and lease terms. The third party pays rental directly to this subsidiary’s lenders. When the rental is fully paid, this subsidiary’s loan obligation to the lenders is also considered settled. For the meantime, this subsidiary’s covenant with the lenders requires that this subsidiary transfer its rights to all rent receivables from the lessee and all its rights in respect of the lease agreement and the insurance to secure lenders’ debt under the loan agreement. Under the said rights transfer agreement, the lenders shall not invoke any civil rights or hold this subsidiary responsible except for exercising the mortgages on collaterals if this subsidiary violates the loan agreements in respect of any breach by the lessee of the lease agreement.

On July 10, 2013, Chailease Finance Co., Ltd sold aircrafts for $3,080,000 in accordance with the capital lease contract and utilized the entire proceeds to repay the aforesaid bank borrowings.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(k) Bonds payable

				2013.6.30		
Period	Interest Rate	Principal Amount	Repayment Terms	Within Operating Cycle	Beyond Operating Cycle	Collateral
2010.11.17~ 2015.11.17	2.094%~ 2.099%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	$ -	400,000	None
2011.01.19~ 2016.01.19	1.894% ~ 1.899%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.994%~ 1.999%	50,000	〃	-	50,000	〃
2011.08.30~ 2014.08.30	1.750%	4,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	4,000,000	-	〃
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	-	2,000,000	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	194,760	-	〃
2012.11.09~ 2014.11.10	4.550%	THB 1,000,000	〃	-	973,800	〃
2013.02.22~ 2015.08.21	4.550%	THB 350,000	〃	-	340,830	〃
2013.06.27~ 2016.06.27	4.50%	THB 1,300,000	〃	-	1,265,940	〃
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	3,665,925	-	〃
			Bonds payable (Gross)	7,860,685	5,080,570	
			Discount on bonds payable	(30)	(4,286)	〃
				$ 7,860,655	5,076,284	

(Amounts Expressed in Thousands of New Taiwan Dollars)

				2012.12.31		
Period	**Interest Rate**	**Principal Amount**	**Repayment Terms**	**Within Operating Cycle**	**Beyond Operating Cycle**	**Collateral**
2010.11.17~ 2015.11.17	2.061%~ 2.081%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	$ -	400,000	None
2011.01.19~ 2016.01.19	1.855%~ 1.885%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.955%~ 1.985%	50,000	〃	-	50,000	〃
2011.08.30~ 2014.08.30	1.750%	4,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	4,000,000	-	〃
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	-	2,000,000	〃
2010.05.14~ 2013.05.14	4.600%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	476,750	-	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	〃	190,700	-	〃
2012.11.09~ 2014.11.10	4.550%	THB 1,000,000	〃	-	953,500	〃
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	3,495,036	〃
			Bonds payable (Gross)	4,667,450	6,948,536	
			Discounts on bonds payable	(208)	(1,769)	〃
				$ **4,667,242**	**6,946,767**	

(Amounts Expressed in Thousands of New Taiwan Dollars)

Period	Interest Rate	Principal Amount	Repayment Terms	2012.6.30 Within Operating Cycle	2012.6.30 Beyond Operating Cycle	Collateral
2010.11.17~ 2015.11.17	2.059%~ 2.071%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	$ -	400,000	None
2011.01.19~ 2016.01.19	1.861%~ 1.870%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.961%~ 1.970%	50,000	〃	-	50,000	〃
2011.08.30~ 2014.08.30	1.750%	4,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	4,000,000	〃
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	-	2,000,000	〃
2010.05.14~ 2013.05.14	4.600%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	472,000	-	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	〃	-	188,800	〃
2012.04.05~ 2015.04.05	5.408%	CNY 750,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	3,525,765	〃
			Bonds payable (Gross)	472,000	10,214,565	
			Discounts on bonds payable	(273)	(154)	〃
				$ **471,727**	**10,214,411**	

(Amounts Expressed in Thousands of New Taiwan Dollars)

				2012.1.1		
Period	Interest Rate	Principal Amount	Repayment Terms	Within Operating Cycle	Beyond Operating Cycle	Collateral
2010.11.17~ 2015.11.17	1.824%~ 2.054%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	$ -	400,000	None
2011.01.19~ 2016.01.19	1.667%~ 1.835%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.767%~ 1.935%	50,000	〃	-	50,000	〃
2011.08.30~ 2014.08.30	1.750%	4,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	4,000,000	〃
2010.05.14~ 2013.05.14	4.600%	THB 500,000	〃	-	482,350	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	〃	-	192,940	〃
			Bonds payable (Gross)	-	5,175,290	
			Discounts on bonds payable	-	(661)	〃
				$ -	5,174,629	

(l) Operating Leases

1.Leases entered into as lessee

Non-cancellable operating lease payables were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Within 1 year	$ 207,057	146,822	170,897	143,987
Period after 1 year to 5 years	154,449	112,010	203,163	234,590
Period after 5 years	-	-	-	-
	$ 361,506	258,832	374,060	378,577

(m) Employee benefits

1.Defined benefit plans

Management believes that in prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, pension cost in the accompanying interim financial statements is measured and disclosed as of December 31, and January1, 2012.

(Amounts Expressed in Thousands of New Taiwan Dollars)

The Group's pension costs recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Operating costs	$ 414	407	849	839
Operating expenses	30,151	16,644	55,450	33,982
Total	**$ 30,565**	**17,051**	**56,299**	**34,821**

2.Defined contribution plans

The pension costs incurred from the contributions to the Bureau of Labour Insurance were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Operating expenses	**$ 14,538**	**11,715**	**28,086**	**27,672**

(n) Income taxes

The Group's income tax expense is estimated by multiplying pretax income for the interim reporting period by the weighted average annual effective income tax rate expected for the full financial year. Therefore, no reconciliation between income tax expense and income tax on pretax financial income at a statutory income tax rate was disclosed.

1.The components of income tax expense were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Total income tax expense from continuing operations	**$ 625,841**	**462,916**	**1,195,484**	**824,230**

2.The income tax return of the subsidiary, Chailease Finance Co., Ltd., have been assessed by the Tax Authority through 2010. Please refer to Note 9(c) for further information. The income tax returns of the subsidiary, Fina Finance & Trading Co., Ltd., have been assessed by the Tax Authority through 2010. The income tax returns of the subsidiaries, China Leasing Co., Ltd., Chailease Auto Rental Co., Ltd., Chailease Credit Services Co., Ltd., Apex Credit Solutions Inc., Chailease Consumer Financial Co., Ltd. and Chailease Insurance Brokers Co., Ltd., have been assessed by the Tax Authority through 2011.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(o) Share capital and other equity accounts

1.Share capital

As of June 30, 2013, and December 31, June 30, January 1, 2012, the Company's authorized capital consisted of 1,500,000 thousand shares and issued shares worth $9,053,004, $9,053,004, $7,853,004, and $7,853,004, respectively, with par value of $10 (NT dollars) per share.

On May 15, May 31 and December 12, 2011, the Company decided to increase its capital by 33,032 thousand shares, 31,200 thousand shares and 30,000 thousand shares, respectively. The registration processes for the changes of its shareholdings were completed as of December 31, 2011.

Due to the capital needs for investing in the subsidiaries and repaying bank loans, the board of directors of the Company resolved to increase the Company's capital by issuing common shares of stock through the offering of global depositary shares overseas, and the offering was approved by the Financial Supervisory Commission (FSC) on August 3, 2012. As of October 9, 2012, these global depositary shares were priced at US$8.59 per unit, and the Company issued 120,000,000 common shares of stocks from the conversion of 24,000,000 units of global depositary shares. Each unit of global depositary shares represents 5 common shares of stock. As of June 30, 2013 and December 31, 2012, the Company has listed, in total, 2,714,321 and 6,223,200 units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. Major terms and conditions for GDRs were as follows:

1) Voting rights exercised

Holders of GDRs may exercise voting rights with respect to the common shares in the manner set out in "Terms and Conditions of the Global Depositary Shares-Voting Rights," as such provisions may be amended from time to time to comply with applicable ROC law.

2) Dividend distributions, pre-emptive rights and other rights

Holders of GDRs have same rights on dividend distribution and share distribution as the Company's existing common shareholders.

2.Capital surplus

The components of capital surplus were as follows:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Share capital	$ 9,387,469	9,387,469	4,623,522	4,623,522
Change in equity of associates and joint ventures accounted for under equity method	24,302	24,302	26,189	70,898
	$ 9,411,771	9,411,771	4,649,711	4,694,420

In 2012, the Company issued 120,000 thousand common shares of stock at a premium through the offering of GDRs, so that the proceeds from issuance of shares in excess of the par value of common stock of $4,763,947 were credited to capital surplus-additional paid-in capital.

3.Retained earnings

According to the Articles of Association, which was revised through a resolution approved by the stockholders' meeting on May 10, 2012, the Company is required to appropriate earnings every accounting year. The after-tax earnings are initially used to offset cumulative losses, and the remainder is set aside as a special reserve. Without necessarily violating the Cayman Islands Companies Law, the Company is able to retain reasonable amount of earnings for Company development. The remaining earnings are distributed according to the board of directors' approval in compliance with the following order of distribution:

1) between 0.01% and 1% of such remaining amount as employees' bonus;

2) between 0.01% and 0.1% of such remaining amount as directors' bonus; and

3) dividends of at least 20% of such remaining amount of which not be less than 30% of the total amount of dividends shall be in cash.

1) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on April 6, 2012, a special reserve equal to the debit balance of unrealized loss on financial instruments in the stockholders' equity, is appropriated from unappropriated retained earnings pursuant to Article No.41 of the Securities and Exchange Act. When appropriating a special reserve for the first time, it is initially appropriated from current earnings and any deficiency is appropriated from the undistributed earnings of prior years. For the second year and years thereafter, the increase or decrease in the balance of unrealized loss on financial instruments in subsequent year, as shown in the statement of changes in stockholders' equity, is either subject to further appropriation for special reserve, or reversed to retained earnings.

2) Earnings distribution

For the three months and the six months ended June 30, 2013 and 2012, the Company accrued employee benefits of $202, $103, $287 and $183 and the board of directors' remuneration of $1,618, $1,465, $2,295 and $1,465, respectively.

In its financial statements for the years 2012 and 2011, the Company accrued employee benefits of $414 and $245, and the board of directors' remuneration of $3,313 and $1,958, respectively. These amounts were estimated from the Company's net profit of 2012 and 2011, according to the earnings allocation method, priority and factor for employee benefits and the board of directors' remuneration as stated under the Articles of Association. These benefits are charged to profit or loss under operating expense in 2012 and 2011. There were no differences between the actual distributions of 2012 and 2011 earnings in 2013 and 2012 and those estimated and accrued in the financial statements of both periods, respectively. Related information would be available at the Market Observation Post System.

(Amounts Expressed in Thousands of New Taiwan Dollars)

During the meeting of shareholders on May 30, 2013 and May10, 2012, the shareholders approved to distribute the 2012 and 2011 earnings, respectively, as follows:

	2012		2011	
	Dividend per share ($)	Amount	Dividend per share ($)	Amount
Dividends distributed to common shareholders				
Cash	$ 2.00	1,810,600	2.30	1,806,191
Stock	1.00	905,300	-	-
Total		$ 2,715,900		1,806,191

4.Other equity accounts

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Cash flow hedges	Hedge of net investment in foreign operations	Others
At January 1, 2013	$ (138,522)	(234,099)	(11,396)	29,695	75,473
Exchange differences, net of tax:					
The Group	847,777	-	-	-	-
Effective portion of cash flow hedges, net of tax:					
The Group	-	-	5,863	-	-
Unrealized gains (losses) on available-for-sale financial assets:					
The Group	-	(47,470)	-	-	-
Effective portion of hedge of net investment in foreign operations, net of tax:					
The Group	-	-	-	(10,683)	-
Others, net of tax：					
The Group	-	-	-	-	(136,040)
At June 30, 2013	$ 709,255	(281,569)	(5,533)	19,012	(60,567)
At January 1, 2012	$ 199,047	(360,228)	(15,988)	-	-
Exchange differences, net of tax:					
The Group	(214,705)	-	-	-	-
Effective portion of cash flow hedges, net of tax:					
The Group	-	-	5,163	-	-
Unrealized gains (losses) on available-for-sale financial assets:					
The Group	-	129,760	-	-	-
Effective portion of hedge of net investment in foreign operations, net of tax:					
The Group	-	-	-	6,545	-
Others, net of tax：					
The Group	-	-	-	-	24,401
At June 30, 2012	$ (15,658)	(230,468)	(10,825)	6,545	24,401

(Amounts Expressed in Thousands of New Taiwan Dollars)

(p) Earnings per share

The basic and diluted earnings per share were calculated as follows:

	For the three months ended June 30, 2013	For the three months ended June 30, 2012
Profit attributable to ordinary shareholders of the Company	$ 1,482,419	870,210
Weighted average number of ordinary shares	905,300	785,300
Weighted average number of ordinary shares (diluted)	905,307	785,307

	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Profit attributable to ordinary shareholders of the Company	$ 2,868,686	1,605,743
Weighted average number of ordinary shares	905,300	785,300
Weighted average number of ordinary shares (diluted)	905,307	785,307

Note: Potential ordinary shares have no dilutive effects.

On May 30, 2013, the meeting of shareholders resolved to issue stock dividends but did not set the record date of such issuance. Considering the effect of stock dividends issued, pro-forma retrospective earnings per share were calculated as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Basic earnings per share	$ 1.49	1.01	2.88	1.86

(q) Net other income and expenses

The details of net other income and expenses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Gains on disposal of foreclosed assets	2,966	22,489	2,966	128,757
Impairment loss of foreclosed assets	(2,615)	(777)	(4,491)	(1,660)
Gains on doubtful debt recoveries	48,055	31,498	83,614	62,426
Others	-	-	-	55
	$ 48,406	53,210	82,089	189,578

(Amounts Expressed in Thousands of New Taiwan Dollars)

(r) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Foreign exchange gains (losses)	$ (31,326)	(22,623)	(17,685)	(13,498)
Net gain on disposal of properly plant, and equipment	860	160	2,024	2,356
Net gains (losses) on valuation of financial assets (liabilities) measured at fair value through profit or loss	(36,309)	6,179	(21,956)	(8,303)
Impairment losses on available-for-sale financial assets	(1,263)	(385)	(1,263)	(3,129)
Others	124,654	84,171	215,746	111,941
	$ 56,616	67,502	176,866	89,367

(s) Financial instruments

There were no significant differences in fair values and exposures to credit risks, liquidity risks and market risks on financial instruments, except for the following:

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group. As of June 30, 2013, and December 31, June 30, and January 1, 2012, the maximum exposure to credit risks amounted to $178,892,404, $161,727,259, $139,654,456 and $126,899,039, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to $290,262, $320,817, $137,403 and $153,342 as of June 30, 2013 and December 31, June 30 and January 1, 2012, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

The loans and receivables originated by the Group and their related allowance for impairment at the reporting date by geographic regions were as follows:

	Taiwan	Thailand	China	Others	Total
June 30, 2013					
Gross loans and receivables：					
Neither past due nor impaired	$ 69,770,870	23,565,106	49,879,661	3,220,980	146,436,617
Past due	133,580	-	-	328,418	461,998
Impaired	1,765,800	1,599,025	2,719,413	607,400	6,691,638
	$ 71,670,250	**25,164,131**	**52,599,074**	**4,156,798**	**153,590,253**
Allowance for impairment					
Collectively assessed	$ 840,066	194,024	906,934	404,392	2,345,416
Individually assessed	1,025,178	268,879	737,248	315,043	2,346,348
	$ 1,865,244	**462,903**	**1,644,182**	**719,435**	**4,691,764**
December 31, 2012					
Gross loans and receivables：					
Neither past due nor impaired	$ 60,135,980	20,637,583	47,339,615	3,023,328	131,136,506
Past due	134,707	-	-	485,496	620,203
Impaired	1,482,854	1,304,072	1,856,094	610,496	5,253,516
	$ 61,753,541	**21,941,655**	**49,195,709**	**4,119,320**	**137,010,225**
Allowance for impairment					
Collectively assessed	$ 939,959	163,380	1,197,475	454,460	2,755,274
Individually assessed	843,639	240,412	498,508	280,578	1,863,137
	$ 1,783,598	**403,792**	**1,695,983**	**735,038**	**4,618,411**
June 30, 2012					
Gross loans and receivables：					
Neither past due nor impaired	$ 54,677,022	18,267,253	38,098,720	3,142,250	114,185,245
Past due	126,093	-	-	575,937	702,030
Impaired	1,424,575	1,148,868	1,679,276	628,950	4,881,669
	$ 56,227,690	**19,416,121**	**39,777,996**	**4,347,137**	**119,768,944**
Allowance for impairment					
Collectively assessed	$ 748,293	164,973	617,230	520,926	2,051,422
Individually assessed	800,490	235,130	544,937	273,000	1,853,557
	$ 1,548,783	**400,103**	**1,162,167**	**793,926**	**3,904,979**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Taiwan	Thailand	China	Others	Total
January 1, 2012					
Gross loans and receivables：					
Neither past due nor impaired	$ 48,786,851	15,873,833	36,885,714	3,390,611	104,937,009
Past due	99,313	-	-	677,136	776,449
Impaired	1,774,508	1,386,682	882,632	700,638	4,744,460
	$ 50,660,672	**17,260,515**	**37,768,346**	**4,768,385**	**110,457,918**
Allowance for impairment					
Collectively assessed	$ 658,307	136,824	527,080	573,518	1,895,729
Individually assessed	845,864	225,755	338,685	305,167	1,715,471
	$ 1,504,171	**362,579**	**865,765**	**878,685**	**3,611,200**

2) Loans and receivables which were neither past due nor impaired

The credit quality of the portfolio of loans and receivables that were neither past due nor impaired includes loans and receivables with renegotiated terms.

Loans with renegotiated terms are loans that have been restructured due to deterioration in the borrower's financial position and where the Group have made concessions that it would not otherwise consider. Renegotiating activity is designed to manage customer relationships, maximise collection opportunities and if possible, avoid foreclosure or repossession. Such activities include extended payment arrangements, approved external debt management plans, deferring foreclosure, modification, loan rewrites and/or deferral of payments pending a change in circumstances. Once the loan is restructured, it remains in this category independent of satisfactory performance after restructuring.

3) Loans and receivables which were past due

When loans and receivables of contractual interest or principal payments are past due, the Group consider that impairment loss has not happened because the level of collateral available exceeds the amounts owed to the Group.

The following table sets forth the aging of loans and receivables past due:

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Past due up to 30 days	$ 349,677	362,953	304,362	124,212
31 to 90 days	112,321	158,329	190,161	477,310
91 to 180 days	-	98,921	138,042	86,166
More than 180 days	-	-	69,465	88,761
	$ 461,998	**620,203**	**702,030**	**776,449**

(Amounts Expressed in Thousands of New Taiwan Dollars)

4) Impaired loans and receivables

Impaired loans and receivables are loans and receivables for which the Group determine that it will be unable to collect part of principal and interest due according to the contracted terms of the loans and receivables agreements.

2.Liquidity risks

The following are the contractual maturities of financial liabilities of the Group, including estimated interest payments and excluding the impact of netting arrangements:

	Carrying amount	Contractual cash flows	Less than 1 month	1 to 3 months	3 months to 1 year	2 to 5 years	More than 5 years	On demand
June 30, 2013								
Non-derivative financial liabilities								
Bank overdraft	$ 164,781	164,781	-	-	-	-	-	164,781
Secured bank loans	12,573,856	13,185,999	1,974,373	2,291,981	2,803,426	5,575,312	540,907	-
Unsecured bank loans	93,152,643	93,774,982	31,051,612	12,201,717	23,945,494	26,576,159	-	-
Other unsecured loans	9,164,750	9,222,952	1,971,064	4,881,659	2,370,229	-	-	-
Bonds payables	12,936,939	13,436,422	-	243,458	179,071	13,013,893	-	-
Other payables	6,541,880	6,542,617	1,499,904	298,045	3,061,840	372,843	-	1,309,985
Deposits relating to collateral of customers	18,204,371	18,237,205	494,444	546,502	4,093,614	12,659,353	-	443,292
Derivative financial liabilities								
Derivative instruments not used for hedging	1,570	1,570	-	-	588	982	-	-
	$ 152,740,790	154,566,528	36,991,397	20,463,362	36,454,262	58,198,542	540,907	1,918,058
December 31, 2012								
Non-derivative financial liabilities								
Bank overdraft	$ 66,710	66,710	-	-	-	-	-	66,710
Secured bank loans	15,654,865	16,001,040	6,533,923	578,281	5,386,891	2,788,877	713,068	-
Unsecured bank loans	83,303,175	83,701,441	51,169,283	11,208,295	5,118,878	16,204,985	-	-
Other unsecured loans	7,296,712	7,340,142	2,521,153	3,167,527	1,651,462	-	-	-
Bonds payables	11,614,009	12,001,338	-	35,720	798,115	11,167,503	-	-
Other payables	5,047,413	5,141,558	3,227,301	635,649	650,491	217,544	-	410,573
Deposits relating to collateral of customers	16,118,194	16,120,370	11,969,830	236,656	1,027,971	2,498,208	-	387,705
Derivative financial liabilities								
Derivative instruments not used for hedging	5,007	5,007	80	-	2,464	2,463	-	-
	$ 139,106,085	140,377,606	75,421,570	15,862,128	14,636,272	32,879,580	713,068	864,988

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

June 30, 2013 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Carrying amount	Contractual cash flows	Less than 1 month	1 to 3 months	3 months to 1 year	2 to 5 years	More than 5 years	On demand
June 30, 2012								
Non-derivative financial liabilities								
Bank overdraft	$ 143,426	143,426	-	-	-	-	-	143,426
Secured bank loans	16,818,065	17,247,194	7,917,875	100,117	4,488,211	3,976,916	764,075	-
Unsecured bank loans	78,410,989	78,794,629	51,412,107	9,340,474	4,358,122	13,683,926	-	-
Other unsecured loans	5,261,348	5,301,606	1,085,230	2,454,872	1,761,504	-	-	-
Bonds payables	10,686,138	11,105,891	-	25,306	587,484	10,493,101	-	-
Other payables	3,471,349	3,484,359	2,258,757	208,467	517,810	223,593	-	275,732
Deposits relating to collateral of customers	13,908,654	13,929,220	10,136,078	137,040	918,384	2,358,839	-	378,879
Derivative financial liabilities								
Derivative instruments not used for hedging	12,173	12,173	103	-	564	11,506	-	-
	$ 128,712,142	130,018,498	72,810,150	12,266,276	12,632,079	30,747,881	764,075	798,037
January 1, 2012								
Non-derivative financial liabilities								
Bank overdraft	$ 18,243	18,243	-	-	-	-	-	18,243
Secured bank loans	18,863,795	19,432,304	2,595,682	82,631	6,798,079	8,891,664	1,064,248	-
Unsecured bank loans	71,539,192	71,999,094	17,746,867	9,088,465	16,893,582	28,270,180	-	-
Other unsecured loans	4,119,603	4,155,735	625,126	1,881,937	1,648,672	-	-	-
Bonds payables	5,174,629	5,459,768	1,830	25,425	84,758	5,347,755	-	-
Other payables	4,543,525	4,587,304	935,201	436,424	2,777,903	623	-	437,153
Deposits relating to collateral of customers	12,514,093	12,532,203	51,839	242,481	3,429,811	8,407,085	-	400,987
Derivative financial liabilities								
Derivative instruments not used for hedging	757	757	-	-	379	378	-	-
	$ 116,773,837	118,185,408	21,956,545	11,757,363	31,633,184	50,917,685	1,064,248	856,383

The Group are not expecting that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(Amounts Expressed in Thousands of New Taiwan Dollars)

3.Currency risks

1) Exposure to currency risks

The Group's significant exposure to foreign currency risks was as follows:

	2013.6.30			
	Foreign currency (In thousand)	Exchange rate		Functional currency
Financial assets				
Monetary items				
USD	$ 42,490.43	USD：TWD	30.0000	1,274,713
	38.09	USD：CNY	6.1375	1,143
	6,417.66	USD：VND	21,897	192,530
Financial Liabilities				
Monetary items				
USD	46,879.30	USD：TWD	30.0000	1,406,379
	4,721.50	USD：VND	21,897	141,645
CNY	750,000.00	CNY：USD	0.1629	3,666,000

	2012.12.31			
	Foreign currency (In thousand)	Exchange rate		Functional currency
Financial assets				
Monetary items				
USD	$ 47,211.81	USD：TWD	29.0400	1,371,031
	28,406.35	USD：CNY	6.2318	824,920
	5,442.91	USD：VND	21,591	158,062
Financial Liabilities				
Monetary items				
USD	83,436.60	USD：TWD	29.0400	2,422,999
	5,724.82	USD：VND	21,591	166,249
CNY	750,000.00	CNY：USD	0.1605	3,495,000

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30		
	Foreign currency (In thousand)	Exchange rate	Functional currency
Financial assets			
Monetary items			
USD	$ 12,658.59	USD：TWD 29.8800	378,238
	7,478.25	USD：CNY 6.3561	223,450
	4,722.23	USD：VND 21,652	141,100
Financial Liabilities			
Monetary items			
USD	129,092.10	USD：TWD 29.8800	3,857,272
	3,717.77	USD：VND 21,652	111,087
CNY	750,000.00	CNY：TWD 0.1573	3,525,750

	2012.1.1		
	Foreign currency (In thousand)	Exchange rate	Functional currency
Financial assets			
Monetary items			
USD	$ 2,014.44	USD：TWD 30.2750	60,987
	1,198.35	USD：CNY 6.2981	36,280
	2,544.58	USD：VND 21,781	77,037
Financial Liabilities			
Monetary items			
USD	39,071.83	USD：TWD 30.2750	1,182,900
	5,129.91	USD：VND 21,781	155,308

2) Sensitivity analysis

The Group’s exposure to foreign currency risk arises from foreign currency exchange fluctuations on cash and cash equivalents, account receivables, and loans and borrowings. A 5% depreciation or appreciation of the TWD against the USD and CNY on balance sheet date would have decreased or increased the net profit after tax by $66,085 and $28,265, respectively, for the six months ended June 30, 2013 and 2012. The analysis is performed on the same basis for both period.

(Amounts Expressed in Thousands of New Taiwan Dollars)

4.Interest analysis

The Group's financial assets and financial liabilities with interest rate exposure risk were as follows:

Ending balance as of June 30, 2013				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 years**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	1.82 %	$ 8,230,226	6,090,721	1,802,654	-	-	336,851
Debt securities	6.80 %	4,452,459	1,746,858	-	2,705,601	-	-
Total accounts receivables	11.82 %	153,929,087	21,560,352	71,234,906	57,069,803	207,852	3,856,174
		166,611,772	29,397,931	73,037,560	59,775,404	207,852	4,193,025
Financial liabilities							
Secured bank loans	4.81 %	12,573,856	3,660,216	8,168,880	744,760	-	-
Unsecured bank loans	2.99 %	93,152,643	46,795,768	34,164,573	12,192,302	-	-
Bonds payables	3.24 %	12,936,939	6,500,000	194,730	6,242,209	-	-
Bank overdraft	7.38 %	164,781	164,781	-	-	-	-
Other unsecured loans	3.37 %	9,164,750	-	9,164,750	-	-	-
Deposits relating to collateral of customers	4.38 %	18,204,371	-	5,308,542	10,956,057	-	1,939,772
Interest rate swap contracts	2.61 %	6,363	6,363	-	-	-	-
Cross currency swap contracts	3.70 %	740	-	-	740	-	-
		146,204,443	57,127,128	57,001,475	30,136,068	-	1,939,772
Net exposure		**$ 20,407,329**	**(27,729,197)**	**16,036,085**	**29,639,336**	**207,852**	**2,253,253**

Ending balance as of December 31, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 years**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	0.86 %	$ 10,131,431	9,378,593	89,812	-	-	663,026
Debt securities	6.41 %	4,278,658	1,791,558	-	2,487,100	-	-
Total accounts receivables	9.22 %	137,378,889	18,067,075	67,346,429	50,678,003	198,687	1,088,695
		151,788,978	29,237,226	67,436,241	53,165,103	198,687	1,751,721
Financial liabilities							
Secured bank loans	5.27 %	15,654,865	3,907,180	10,395,215	1,352,470	-	-
Unsecured bank loans	3.81 %	83,303,175	37,732,454	42,006,820	3,563,901	-	-
Bonds payables	3.25 %	11,614,009	6,500,000	667,242	4,446,767	-	-
Bank overdraft	7.38 %	66,710	66,710	-	-	-	-
Other unsecured loans	3.56 %	7,296,712	-	7,296,712	-	-	-
Deposits relating to collateral of customers	0.60 %	16,118,194	-	1,902,816	2,233,462	-	11,981,916
Interest rate swap contracts	2.12 %	16,403	16,403	-	-	-	-
		134,070,068	48,222,747	62,268,805	11,596,600	-	11,981,916
Net exposure		**$ 17,718,910**	**(18,985,521)**	**5,167,436**	**41,568,503**	**198,687**	**(10,230,195)**

(Amounts Expressed in Thousands of New Taiwan Dollars)

Ending balance as of June 30, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 years**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	0.94 %	$ 9,333,054	1,121,040	221,562	-	-	7,990,452
Debt securities	6.53 %	3,238,641	1,816,141	-	1,422,500	-	-
Total accounts receivables	9.24 %	119,953,727	17,554,747	57,913,568	43,078,090	154,155	1,253,167
		132,525,422	20,491,928	58,135,130	44,500,590	154,155	9,243,619
Financial liabilities							
Secured bank loans	5.83 %	16,818,065	2,351,934	8,117,362	5,646,519	702,250	-
Unsecured bank loans	3.88 %	78,410,989	34,569,316	28,266,585	15,575,088	-	-
Bonds payables	3.09 %	10,686,138	6,500,000	472,000	3,714,138	-	-
Bank overdraft	7.38 %	143,426	143,426	-	-	-	-
Other unsecured loans	3.68 %	5,261,348	-	5,261,348	-	-	-
Deposits relating to collateral of customers	7.06 %	13,908,654	-	10,552,378	2,652,653	-	703,623
Interest rate swap contracts	1.00 %	22,998	22,998	-	-	-	-
		125,251,618	43,587,674	52,669,673	27,588,398	702,250	703,623
Net exposure		**$ 7,273,804**	**(23,095,746)**	**5,465,457**	**16,912,192**	**(548,095)**	**8,539,996**

Ending balance as of January 1, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 years**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	0.92 %	$ 6,618,070	6,167,470	142,354	-	-	308,246
Debt securities	7.15 %	2,118,291	1,838,291	-	280,000	-	-
Total accounts receivables	9.22 %	110,646,805	17,887,325	52,326,938	39,776,041	509,175	147,326
		119,383,166	25,893,086	52,469,292	40,056,041	509,175	455,572
Financial liabilities							
Secured bank loans	6.32 %	18,863,795	12,220,938	2,062,017	4,580,840	-	-
Unsecured bank loans	4.09 %	71,539,192	55,709,422	12,036,978	3,792,792	-	-
Bonds payables	2.13 %	5,174,629	4,500,000	-	674,629	-	-
Bank overdraft	7.50 %	18,243	18,243	-	-	-	-
Other unsecured loans	3.93 %	4,119,603	-	4,119,603	-	-	-
Deposits relating to collateral of customers	0.70 %	12,514,093	-	1,045,864	1,986,861	-	9,481,368
Interest rate swap contracts	3.00 %	16,745	16,745	-	-	-	-
		112,246,300	72,465,348	19,264,462	11,035,122	-	9,481,368
Net exposure		**$ 7,136,866**	**(46,572,262)**	**33,204,830**	**29,020,919**	**509,175**	**(9,025,796)**

(Amounts Expressed in Thousands of New Taiwan Dollars)

5.Fair value

1) Fair value and carrying amount

Other than those listed below, the Group consider the carrying amounts of its financial assets and financial liabilities measured at amortised cost as a reasonable approximation of fair value:

	2013.6.30		2012.12.31		2012.6.30		2012.1.1	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:								
Accounts receivable	$ 149,188,751	149,480,478	132,712,631	132,254,910	116,001,368	115,705,071	107,000,060	106,335,945
Financial liabilities:								
Bonds Payable	12,936,939	12,939,207	11,614,010	11,615,987	10,686,138	10,686,288	5,174,629	5,161,857
Deposits relating to collateral of customers	18,204,371	18,188,783	16,118,194	16,118,178	13,908,654	13,891,621	12,514,093	12,518,900
Secured loans	12,573,856	12,034,635	15,654,865	15,654,865	16,818,065	16,105,540	18,863,795	18,824,105
Unsecured loans	102,482,174	102,482,174	90,666,597	90,677,363	83,815,763	83,839,839	75,677,038	75,620,590

2) Interest rates used in fair value determination

The interest rates used to discount the estimated cash flows of certain financial assets and liabilities were as follows:

	As of June 30,	
	2013	2012
Accounts receivable	11.82 %	9.24 %
Long-term debts and short-term debts	3.23 %	4.09 %
Deposits relating to collateral of customers	0.57 %	0.66 %

3) Fair value hierarchy

The table below provides the different levels of fair value hierarchy in determining the fair value of financial instruments carried at fair value.

A.Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

B.Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

C.Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
June 30, 2013				
Current financial assets at fair value through profit or loss	$ 340,143	-	-	340,143
Non-current financial assets at fair value through profit or loss	-	-	1,746,858	1,746,858
Non-current available-for-sale financial assets	-	638,859	515,089	1,153,948
	340,143	638,859	2,261,947	3,240,949
Current financial liabilities at fair value through profit or loss	-	(1,570)	-	(1,570)
Current derivative financial liabilities used for hedging	-	(5,533)	-	(5,533)
	-	(7,103)	-	(7,103)
	$ 340,143	**631,756**	**2,261,947**	**3,233,846**
December 31, 2012				
Current financial assets at fair value through profit or loss	$ 236,246	-	-	236,246
Non-current financial assets at fair value through profit or loss	-	-	1,791,558	1,791,558
Non-current available-for-sale financial assets	-	696,690	505,939	1,202,629
	236,246	696,690	2,297,497	3,230,433
Current financial liabilities at fair value through profit or loss	-	(5,007)	-	(5,007)
Current derivative financial liabilities used for hedging	-	(11,396)	-	(11,396)
	-	(16,403)	-	(16,403)
	$ 236,246	**680,287**	**2,297,497**	**3,214,030**
June 30, 2012				
Current financial assets at fair value through profit or loss	$ 252,207	-	-	252,207
Non-current financial assets at fair value through profit or loss	-	-	1,816,141	1,816,141
Non-current available-for-sale financial assets	-	706,460	504,327	1,210,787
	252,207	706,460	2,320,468	3,279,135
Current financial liabilities at fair value through profit or loss	-	(12,173)	-	(12,173)
Current derivative financial liabilities used for hedging	-	(10,825)	-	(10,825)
	-	(22,998)	-	(22,998)
	$ 252,207	**683,462**	**2,320,468**	**3,256,137**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
January 1, 2012				
Current financial assets at fair value through profit or loss	$ 240,841	-	-	240,841
Non-current financial assets at fair value through profit or loss	-	-	1,838,291	1,838,291
Non-current available-for-sale financial assets	-	580,997	504,761	1,085,758
	240,841	580,997	2,343,052	3,164,890
Current financial liabilities at fair value through profit or loss	-	(757)	-	(757)
Current derivative financial liabilities used for hedging	-	(15,988)	-	(15,988)
	-	(16,745)	-	(16,745)
	$ 240,841	**564,252**	**2,343,052**	**3,148,145**

There have been no transfers from Level 2 to Level 1 fair value hierarchy for the six months ended June 30, 2013 and 2012.

(t) Financial risk management

There were no sinificant differences of the Group's financial risk management and policies with those disclosed in the interim consolidated financial statements for the three months ended March 31, 2013.

(u) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the interim consolidated financial statements for the three months ended March 31, 2013. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the three months ended March 31, 2013

(7) Related Party Transactions

(a) The Company is the ultimate controlling party of the Group.

(b) Transactions with key management personnel

1.Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2013	2012	2013	2012
Short-term employee benefits	$ 69,013	51,972	137,785	103,944
Post-employment benefits	665	7,360	1,155	14,721
	$ 69,678	**59,332**	**138,940**	**118,665**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(c) Significant transactions with related parties

1.Operating leases

Prices and lease terms were negotiated. The details of rental revenue and expense derived from operating leases of rental cars, office spaces, etc., were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
Rental Revenues	**2013**	**2012**	**2013**	**2012**
Affiliates	$ 3,890	5,191	8,470	10,297
Rental Expenses				
Affiliates	$ 5,184	4,771	10,247	9,597

2.Capital Leases

	Capital leases receivable		Unearned revenue	
2013.6.30	**Short-term**	**Long-term**	**Short-term**	**Long-term**
Affiliates	$ 870	-	(105)	-
2012.12.31				
Affiliates	$ 5,727	-	(520)	-
2012.6.30				
Affiliates	$ 6,651	-	(670)	-
2012.1.1				
Affiliates	$ 7,009	-	(762)	-

For the three months and the six months ended June 30, 2013 and 2012, interest revenue from the capital leases with affiliates amounted to $14, $125, $30 and $255, respectively.

3.Deposits

	2013.6.30	
	Ending Balance	**Interest rate**
Affiliates	$ 433,661	0%~1.35%

	2012.12.31	
	Ending Balance	**Interest rate**
Affiliates	$ 602,857	0%~1.35%

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30	
	Ending Balance	**Interest rate**
Affiliates	$ **483,168**	0%~1.35%

	2012.1.1	
	Ending Balance	**Interest rate**
Affiliates	$ **495,939**	0%~1.35%

Note：Deposits include unrestricted bank deposits, restricted current assets, and time deposits, used as guarantee deposits.

For the three months and the six months ended June 30, 2013 and 2012, interest revenue from the deposits in affiliates amounted to $374, $496, $386 and $497, respectively.

4. The Group purchased deferred assets and leasehold improvements from affiliates. The purchase price were $6,381 and $11,318 for the six months ended June 30, 2013 and 2012, respectively.

5 . Interest bearing borrowings

	2013.6.30		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ **3,738,627**	3.27%~7.38%	**1,199**

	2012.12.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ **2,304,678**	3.42%~7.38%	**656**

	2012.6.30		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ **3,021,502**	1.84%~7.38%	**865**

	2012.1.1		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ **2,500,445**	2.43%~7.50%	**927**

Note 1：Interest rates charged by related parties were the same as those charged by unrelated parties.

Note 2：Interest bearing debts include short-term borrowings, current portion of long-term borrowings and long-term borrowings.

(Amounts Expressed in Thousands of New Taiwan Dollars)

For the three months and the six months ended June 30, 2013 and 2012, interest expenses from the interest bearing borrowings from affiliates amounted to $36,641, $31,682, $66,093 and $60,833, respectively.

6. Bonds payable

	2012.12.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 28,605	4.60%	173

	2012.6.30		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 28,320	4.60%	171

	2012.1.1		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 28,941	2.60%~4.60%	175

For the three months and the six months ended June 30, 2013 and 2012, interest expenses from bonds payable to affiliates amounted to $164, $327, $502 and $658, respectively.

7. Accounts Receivable (Payable)

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
1) **Accounts Receivable**				
Affiliates	$ 13,164	13,250	3,581	75,845
2) **Other Receivables**				
Affiliates	$ 99,323	54,473	102,336	76,470

Note：Other receivables consisted mainly of uncollected commissions, guarantees, and service fees for consulting services.

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
3) **Other current financial assets**				
Affiliates	$ 1,000	1,000	1,000	1,000

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2013.6.30	2012.12.31	2012.6.30	2012.1.1
4) **Other non-current financial assets**				
Affiliates	$ 12,500	17,167	29,500	30,200
5) **Other current financial liabilities**				
Affiliates	$ 15,980	22,168	-	-

8. Others

Affiliates	For the three months ended June 30, 2013	For the three months ended June 30, 2012	For the six months ended June 30, 2013	For the six months ended June 30, 2012
Other interest revenue	$ 94	59	251	152
Other operating revenue	11,132	29,919	24,453	56,424
Commission and service costs and expenses	(73)	(104)	(189)	(196)
Other operating costs and expenses	(6,462)	(5,923)	(15,786)	(12,386)
	$ 4,691	23,951	8,729	43,994

1) Loans Receivable

2013.6.30	Ending balance	Interest rate	Interest receivable
Affiliates	$ 346,191	3.28%~3.47%	3,589

2012.12.31	Ending balance	Interest rate	Interest receivable
Affiliates	$ 335,105	2.26%~4.00%	1,040

2012.6.30	Ending balance	Interest rate	Interest receivable
Affiliates	$ 510,381	2.46%~3.58%	1,799

2012.1.1	Ending balance	Interest rate	Interest receivable
Affiliates	$ 1,015,605	2.29%~3.49%	2,730

Note：The ending balance was accounted for as accounts receivable, and the interest receivable was accounted for as other financial assets.

(Amounts Expressed in Thousands of New Taiwan Dollars)

For the three months and the six months ended June 30, 2013 and 2012, interest revenue from the loans receivable from affiliates amounted to $2,992, $3,756, $5,918 and $17,515, respectively.

2) In 2010, Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. entered into an agreement with a related party, Yi Mao International Development Corp. for joint venture construction of housing units. Under this agreement, Yi Mao International Development Corp. invested its land for use in the construction. Yi Mao, the Company and Chailease Construction & Development Corp share 18.11%, 40.945% and 40.945%, respectively, from the proceeds of the sale of the housing units.

3) Endorsements and guarantees with related parties

Bank	Ending Balance	Bank Facilities	Beginning Date	Ending Date	Guarantee to	Remarks
2013.6.30						
Kaohsiung Bank	TWD 419,500		2012.06.05	2014.06.11	Affiliates	Real estate mortgage guarantee
Kaohsiung Bank	TWD 179,500		2012.06.05	2014.06.30	〃	Real estate mortgage guarantee
	TWD 599,000	**TWD 743,400**				
2012.12.31						
Kaohsiung Bank	TWD 419,500		2012.06.05	2013.06.11	Affiliates	Real estate mortgage guarantee
Kaohsiung Bank	TWD 100,000		2012.06.05	2014.06.30	〃	Real estate mortgage guarantee
	TWD 519,500	**TWD 743,400**				
2012.6.30						
Kaohsiung Bank	**TWD 419,500**	**TWD 743,400**	2012.06.05	2013.06.11	Affiliates	Real estate mortgage guarantee

(Amounts Expressed in Thousands of New Taiwan Dollars)

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2013.6.30	2012.12.31	2012.6.30	2012.1.1
Restricted cash in banks					
Restricted account for loans repayment (demand deposits)	Issuance of short-term bills and as guarantee for short-term and long-term borrowings	$ 3,046,780	5,449,536	2,443,311	1,168,852
Time deposits	Alliance contract guarantee	2,200	1,900	2,200	194,480
Construction in progress	As guarantee for short-term and long-term borrowings	882,208	771,503	685,875	616,069
Property and equipment, and assets held for lease	As guarantee for short-term and long-term borrowings	2,038,370	1,110,404	1,116,789	1,123,173
Equity securities	Issuance of short-term bills and as guarantee for short-term and long-term borrowings	626,737	738,479	734,267	636,667
Refundable deposits	Provincial court seizure etc.	147,229	183,411	105,821	154,490
Notes receivable	Issuance of short-term bills, corporate bonds and as guarantee for short-term and long-term borrowings	18,953,408	22,849,773	21,820,926	24,907,418
Accounts receivable and loans	As guarantee for short-term and long-term borrowings	40,353,263	48,534,425	20,203,922	41,599,888
Total		$ 66,050,195	79,639,431	47,113,111	70,401,037

(9) Commitments and Contingencies

(a) The Group entered into alliances with several commercial banks for which the banks will provide direct financing loans to the Group's corporate and individual customers. Should these corporate and individual customers default on their payments, the Group are required to assume their loan obligations and pay these loans on behalf of these customers. As of June 30, 2013, and December 31, June 30, January 1, 2012, the balance of unexpired payments from these alliance transactions amounted to $9,837,718, $5,384,047, $3,411,184, and $2,773,922, respectively.

(b) The Group entered into sale and lease-back agreements with third parties, which were financed through long-term bank debts. The third parties pay rentals directly to the Group's lender. For details regarding long-term debts payable, refer to notes (6)(j).

(c) In 2012, Chailease Finance Co., Ltd. (CFC) was formally notified by the National Tax Administration (NTA) in which the NTA assessed CFC to pay additional income tax of$40,930 for 2010, and CFC rejected to accept it. Therefore, CFC applied for administrative remedy and accrued a possible loss of $6,968 in 2012.

(d) Chailease Finance Co., Ltd. (CFC), together with third parties/co-facilitators, entered into an agreement with CFC customers for purposes of facilitating the extension of loans to these customers by financial institutions, under which, CFC will share with these co-facilitators in the facilitating fee that they earn from this agreement. If the customers default on their payments, CFC is required to pay to the financial institutions its share of the loans on behalf of these customers. As of June 30, 2013, and December 31, June 30, January 1, 2012, the payable balance from these transactions amounted to$517,042, $634,067, $761,638, and $693,404, respectively.

(e) The Group facilitated the extension of financing by financial institutions on behalf of its certain customers under factoring agreements. Such facilitation enables the customers to obtain desired financing from financial institutions. As of June 30, 2013, and December 31, June 30, January 1, 2012, the balance of financing obtained from such facilitation amounted to $27,098, $63,227, $40,243, and $52,316, respectively.

(f) As of June 30, 2013, Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. entered into pre-selling building premises construction contracts with customers worth $3,979,840, and Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. received advance payments of $835,950 for these contracts which were recorded as advanced real estate receipts.

(g) Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. entered into a building construction agreement with non-related parties, with a total contract price of $881,406.

(h) On September 4, 2012, Chailease International Finance Corporation entered into a real estate purchase agreement with Shanghai Hongqiao Linkong Economic Zone Development Co., Ltd., with a total contract price of CNY$297,000 thousand. This agreement requires, among other things, that Chailease International Finance Corporation or Jirong Real Estate Co., Ltd. shall sign the official "Shanghai real estate sales contract" with Shanghai Hongqiao Linkong Economic Zone Development Co., Ltd., before April 30, 2013. On April 2013, Chailease International Finance Corporation signed the amended agreement with Shanghai Hongqiao Linkong Economic Zone Development Co., Ltd., under which, the official "Shanghai real estate sales contract" will be signed before May 30, 2013.

(10) Losses Due to Major Disasters : None.

(11) Subsequent Events : None.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(12) Other

(a) Liquidity analysis of assets and liabilities：

	2013.6.30		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 8,230,226	-	8,230,226
Current financial assets at fair value through profit or loss	340,143	-	340,143
Current held-to-maturity financial assets	1,772,261	402,978	2,175,239
Accounts receivable, net	79,831,598	43,198,690	123,030,288
Construction in progress	882,208	-	882,208
Other current financial assets	6,651,303	-	6,651,303
Other current assets – others	2,637,514	-	2,637,514
	$ 100,345,253	43,601,668	143,946,921
Current liabilities			
Short-term borrowings	$ 53,198,835	-	53,198,835
Current financial liabilities at fair value through profit or loss	1,570	-	1,570
Current derivative financial liabilities for hedging	5,533	-	5,533
Accounts and notes payable	999,456	-	999,456
Current tax payable	501,515	-	501,515
Other current financial liabilities	7,288,495	11,729,700	19,018,195
Advance real estate receipts	342,280	-	342,280
Long-term liabilities – current portion	29,637,722	19,850,693	49,488,415
Other current liabilities – others	3,456,667	-	3,456,667
	$ 95,432,073	31,580,393	127,012,466

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 10,131,431	-	10,131,431
Current financial assets at fair value through profit or loss	236,246	-	236,246
Current held-to-maturity financial assets	1,997,100	-	1,997,100
Accounts receivable, net	76,035,313	34,934,895	110,970,208
Construction in progress	771,503	-	771,503
Other current financial assets	6,748,887	-	6,748,887
Other current assets – others	1,442,367	-	1,442,367
	$ 97,362,847	**34,934,895**	**132,297,742**
Current liabilities			
Short-term borrowings	$ 51,043,587	-	51,043,587
Current financial liabilities at fair value through profit or loss	5,007	-	5,007
Current derivative financial liabilities for hedging	11,396	-	11,396
Accounts and notes payable	1,772,943	-	1,772,943
Current tax payable	675,265	-	675,265
Other current financial liabilities	6,850,531	10,472,696	17,323,227
Advance real estate receipts	302,039	-	302,039
Long-term liabilities – current portion	22,371,391	25,642,275	48,013,666
Other current liabilities – others	1,160,557	-	1,160,557
	$ 84,192,716	**36,114,971**	**120,307,687**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 9,333,054	-	9,333,054
Current financial assets at fair value through profit or loss	252,207	-	252,207
Current held-to-maturity financial assets	1,105,000	37,500	1,142,500
Accounts receivable, net	64,522,687	31,977,296	96,499,983
Construction in progress	-	685,875	685,875
Other current financial assets	5,795,661	-	5,795,661
Other current assets – others	741,314	-	741,314
	$ 81,749,923	32,700,671	114,450,594
Current liabilities			
Short-term borrowings	$ 49,772,397	-	49,772,397
Current financial liabilities at fair value through profit or loss	12,173	-	12,173
Current derivative financial liabilities for hedging	10,825	-	10,825
Accounts and notes payable	1,239,843	-	1,239,843
Current tax payable	428,111	-	428,111
Other current financial liabilities	12,811,772	1,606,825	14,418,597
Advance real estate receipts	-	213,393	213,393
Long-term liabilities – current portion	7,664,679	31,995,373	39,660,052
Other current liabilities – others	755,625	-	755,625
	$ 72,695,425	33,815,591	106,511,016

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.1.1		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 6,558,070	-	6,558,070
Current financial assets at fair value through profit or loss	240,841	-	240,841
Current held-to-maturity financial assets	280,000	-	280,000
Accounts receivable, net	58,133,635	31,705,472	89,839,107
Construction in progress	-	616,069	616,069
Other current financial assets	6,113,565	-	6,113,565
Other current assets – others	1,179,503	-	1,179,503
	$ 72,505,614	**32,321,541**	**104,827,155**
Current liabilities			
Short-term borrowings	$ 39,831,048	-	39,831,048
Current financial liabilities at fair value through profit or loss	757	-	757
Current derivative financial liabilities for hedging	15,988	-	15,988
Accounts and notes payable	2,312,415	-	2,312,415
Current tax payable	669,271	-	669,271
Other current financial liabilities	5,601,239	7,585,627	13,186,866
Advance real estate receipts	-	173,091	173,091
Long-term liabilities – current portion	17,109,545	20,431,945	37,541,490
Other current liabilities – others	816,093	-	816,093
	$ 66,356,356	**28,190,663**	**94,547,019**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(b) The employee benefits, depreciation and amortization expenses categorized by function were as follows:

By function / By item	For the three months ended June 30, 2013			For the three months ended June 30, 2012		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	13,429	719,035	732,464	12,863	611,930	624,793
Labor and health insurance	817	45,882	46,699	765	34,338	35,103
Pension	414	44,689	45,103	407	28,359	28,766
Others	-	59,123	59,123	-	57,566	57,566
Depreciation	355,710	23,587	379,297	450,119	25,824	475,943
Amortization	-	16,204	16,204	-	8,872	8,872

By function / By item	For the six months ended June 30, 2013			For the six months ended June 30, 2012		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	27,227	1,445,227	1,472,454	24,658	1,302,770	1,327,428
Labor and health insurance	1,682	97,652	99,334	1,571	65,636	67,207
Pension	849	83,536	84,385	839	61,654	62,493
Others	-	105,304	105,304	-	100,548	100,548
Depreciation	722,044	46,999	769,043	902,446	48,853	951,299
Amortization	-	31,910	31,910	-	19,760	19,760

(c) Seasonality of operation:

The Group's operation is neither seasonal nor cyclical.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(13) Segment Information

The Group's reportable segments include operations in Taiwan, China, Thailand and other areas. These segments engage mainly in installment sales and leasing. The Group use net income as the measurement for segment profit and the basis of performance assessment.

Operating segments financial information:

	For the three months ended June 30, 2013					
	Taiwan	**China**	**Thailand**	**Others**	**Elimination**	**Total**
Operating revenue:						
Revenue from external customers	$ 2,651,556	3,510,026	602,671	234,715	-	6,998,968
Inter-segment revenue	242,773	69,583	-	-	(312,356)	-
Total	**$ 2,894,329**	**3,579,609**	**602,671**	**234,715**	**(312,356)**	**6,998,968**
Reportable segment profit or loss	**$ 860,995**	**585,392**	**162,788**	**(41,777)**	**-**	**1,567,398**

	For the three months ended June 30, 2012					
	Taiwan	**China**	**Thailand**	**Others**	**Elimination**	**Total**
Operating revenue:						
Revenue from external customers	$ 2,079,688	2,437,548	469,039	99,039	-	5,085,314
Inter-segment revenue	190,709	13,292	-	-	(204,001)	-
Total	**$ 2,270,397**	**2,450,840**	**469,039**	**99,039**	**(204,001)**	**5,085,314**
Reportable segment profit or loss	**$ 614,307**	**392,993**	**110,581**	**(189,056)**	**-**	**928,825**

	For the six months ended June 30, 2013					
	Taiwan	**China**	**Thailand**	**Others**	**Elimination**	**Total**
Operating revenue:						
Revenue from external customers	5,085,664	6,849,705	1,164,708	387,720	-	13,487,797
Inter-segment revenue	517,197	127,307	-	-	(644,504)	-
Total	**$ 5,602,861**	**6,977,012**	**1,164,708**	**387,720**	**(644,504)**	**13,487,797**
Reportable segment profit or loss	**$ 1,602,443**	**1,184,053**	**313,750**	**(67,973)**	**-**	**3,032,273**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30, 2012					
	Taiwan	**China**	**Thailand**	**Others**	**Elimination**	**Total**
Operating revenue:						
Revenue from external customers	4,055,971	4,596,665	897,788	199,277	-	9,749,701
Inter-segment revenue	326,186	13,292	-	-	(339,478)	-
Total	**$ 4,382,157**	**4,609,957**	**897,788**	**199,277**	**(339,478)**	**9,749,701**
Reportable segment profit or loss	**$ 1,190,494**	**623,106**	**202,290**	**(302,536)**	**-**	**1,713,354**

(14) First-time Adoption of IFRS

The consolidated financial statements of the Group as of and for the year ended December 31, 2012, were prepared under R.O.C. GAAP ("previous GAAP"). As described in note (4)(a), the accompanying consolidated financial statements are the Group’s first interim consolidated financial statements prepared under IFRS and IFRS 1 First time Adoption of International Financial Reporting Standards endorsed by FSC and in accordance with “Guidelines Governing the Preparation of Financial Reports by Securities Issuers”.

The accounting policies set out in note (4) have been applied in preparing the interim condensed consolidated financial statements for the six months ended June 30, 2013, the comparative information for both the six months ended June 30, 2012 and the year ended December 31, 2012, and in preparing the opening IFRS statement of financial position at January 1, 2012 (the Group’s date of transition).

In preparing its opening IFRS statement of financial position, the Group have adjusted amounts reported previously in financial statements prepared in accordance with R.O.C. GAAP. An explanation of how the transition from previous GAAP to IFRSs has affected the Group’s financial position, financial performance and cash flow is set out in the following tables and the notes that accompany the tables. For the GAAP reconciliation of the consolidated balance sheets at December 31 and January 1, 2012 (the Group's date of transition) and consolidated statements of comprehensive income for the year ended December 31, 2012, please refer to the interim consolidated financial statements for the three months ended March 31, 2013.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(a) Balance sheets GAAP reconciliation

	2012.6.30		
	Previous GAAP	**Effects of transition to IFRS**	**IFRSs**
Assets			
Cash and cash equivalents	$ 9,333,054	-	9,333,054
Current financial assets at fair value through profit or loss	252,207	-	252,207
Current held-to-maturity financial assets	1,142,500	-	1,142,500
Accounts receivable, net	93,114,442	3,385,541	96,499,983
Construction in progress	771,616	(85,741)	685,875
Other current financial assets	4,820,220	975,441	5,795,661
Other current assets － others	2,328,666	(1,587,352)	741,314
Total current assets	111,762,705	2,687,889	114,450,594
Non-current financial assets at fair value through profit or loss	1,816,141	-	1,816,141
Non-current available-for-sale financial assets	-	1,210,787	1,210,787
Non-current financial investments carried at cost	1,441,255	(1,441,255)	-
Non-current held-to-maturity financial assets	280,000	-	280,000
Investments accounted for using equity method	1,203	-	1,203
Property, plant and equipment	7,593,971	162,940	7,756,911
Intangible assets	22,766	-	22,766
Deferred tax assets	826,842	808,281	1,635,123
Long-term accounts receivable, net	21,741,792	(2,240,407)	19,501,385
Other non-current assets － others	1,989,940	(1,318,123)	671,817
Total non-current assets	35,713,910	(2,817,777)	32,896,133
Total assets	**$ 147,476,615**	**(129,888)**	**147,346,727**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30		
	Previous GAAP	Effects of transition to IFRS	IFRSs
Liabilities			
Short-term borrowings	$ 49,170,670	601,727	49,772,397
Current financial liabilities at fair value through profit or loss	12,173	-	12,173
Current derivative financial liabilities for hedging	10,825	-	10,825
Accounts and notes payable	1,239,843	-	1,239,843
Current tax liabilities	428,111	-	428,111
Other current financial liabilities	11,211,839	3,206,758	14,418,597
Advance real estate receipts	213,393	-	213,393
Long term liabilities – current portion	21,324,173	18,335,879	39,660,052
Other current liabilities － others	755,625	-	755,625
Total current liabilities	84,366,652	22,144,364	106,511,016
Bonds payable	10,214,565	(154)	10,214,411
Long-term borrowings	30,610,986	(18,937,880)	11,673,106
Deferred tax liabilities	495,252	145,954	641,206
Other non-current liabilities	4,314,483	(2,844,335)	1,470,148
Total non-current liabilities	45,635,286	(21,636,415)	23,998,871
Total liabilities	130,001,938	507,949	130,509,887
Equity attributable to owners of parent			
Share capital	7,853,004	-	7,853,004
Capital surplus	4,649,711	-	4,649,711
Unappropriated retained earnings	3,388,337	(411,020)	2,977,317
Other equity	(7,383)	(218,622)	(226,005)
Total equity attributable to owners of parent	15,883,669	(629,642)	15,254,027
Non-controlling interests	1,591,008	(8,195)	1,582,813
Total equity	17,474,677	(637,837)	16,836,840
TOTAL LIABILITIES AND EQUITY	**$ 147,476,615**	**(129,888)**	**147,346,727**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(b) Statements of comprehensive income GAAP reconciliation

	For the three months ended June 30, 2012			For the six months ended June 30, 2012		
	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs
Operating revenue	$ 5,307,385	(222,071)	5,085,314	10,068,703	(319,002)	9,749,701
Operating costs	(2,260,159)	(11,673)	(2,271,832)	(4,362,674)	27,959	(4,334,715)
Gross profit from operation	3,047,226	(233,744)	2,813,482	5,706,029	(291,043)	5,414,986
Operating expenses	(1,599,562)	31,764	(1,567,798)	(3,166,665)	(33,534)	(3,200,199)
Net other income and expenses	-	53,210	53,210	-	189,578	189,578
Operating profit	1,447,664	(148,770)	1,298,894	2,539,364	(134,999)	2,404,365
Non-operating income and expenses：						
Interest income	36,735	(11,421)	25,314	60,675	(16,883)	43,792
Other gains and losses	72,136	(4,634)	67,502	164,518	(75,151)	89,367
Share of profit of associates and joint ventures accounted for using equity method	31	-	31	60	-	60
Tax effect related to comprehensive income	-	-	-	-	-	-
Profit before income tax	1,556,566	(164,825)	1,391,741	2,764,617	(227,033)	2,537,584
Income tax expense	(465,422)	2,506	(462,916)	(826,921)	2,691	(824,230)
Profit for the period	1,091,144	(162,319)	928,825	1,937,696	(224,342)	1,713,354
Other comprehensive income (loss)：						
Exchange differences on translation of foreign financial statements	-	35,153	35,153	-	(236,485)	(236,485)
Unrealized gains (losses) on available for sale financial assets	-	(29,974)	(29,974)	-	129,760	129,760
Gains (losses) of effective portion of cash flow hedges	-	1,848	1,848	-	5,163	5,163
Gains (losses) of effective portion of hedges of net investment in foreign operations	-	(7,955)	(7,955)	-	6,545	6,545
Other comprehensive income － other	-	(22,496)	(22,496)	-	24,401	24,401
Other comprehensive income (losses) for the period, net of tax	-	(23,424)	(23,424)	-	(70,616)	(70,616)
Total comprehensive income for the period	**$ 1,091,144**	**(185,743)**	**905,401**	**1,937,696**	**(294,958)**	**1,642,738**
Profit attributable to：						
Owners of parent	$ 1,033,558	(163,348)	870,210	1,830,099	(224,356)	1,605,743
Non-controlling interests	58,586	29	58,615	107,597	14	107,611
Profit for the period	**$ 1,092,144**	**(163,319)**	**928,825**	**1,937,696**	**(224,342)**	**1,713,354**
Comprehensive income attributable to：						
Owners of parent	$ -	866,932	866,932	-	1,556,907	1,556,907
Non-controlling interests	-	38,469	38,469	-	85,831	85,831
Profit for the period	**$ -**	**905,401**	**905,401**	**-**	**1,642,738**	**1,642,738**
Earnings per share						
Basic earnings per share	**$ 1.32**	**(0.22)**	**1.10**	**2.33**	**(0.29)**	**2.04**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(c) Notes to GAAP reconciliation

1. Under R.O.C. GAAP, the percentage-of-completion method is adopted under the following conditions: (a) the project has reached the planning stage; construction of the project may begin at any time (b) the total price of pre-selling contracts has reached the estimated total construction cost (c) the buyers' payments have already reached 15% of the total contract price (d) reliable estimates can be made as to the collection of total accounts receivable (e) estimates for contract costs to complete the contract and the degree of its completion at the end of the period are reasonably reliable, and (f) costs belonging to the contract can be reasonably identified. Also, when percentage-of-completion method is adopted for long-term construction contract, selling expenses are recognized in each period based upon the percentage of completion.

Under IFRS as endorsed by FSC, completed-contract method is adopted for the accounting of revenue from long-term construction contracts. Also, advertising and selling expenses are recognized as incurred.

Under IFRS as endorsed by FSC, the following adjustments are made.

	For the three months ended June 30, 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Operating revenue：		
Construction revenue	$ (97,968)	(184,364)
Operating costs：		
Construction costs	64,552	121,478
Operating expenses	7,241	14,719
Adjustment before income tax	**$ (26,175)**	**(48,167)**

	2012.6.30
Consolidated statements of balance sheet	
Construction in progress	$ (85,741)
Other current assets	(65,647)
Related tax effect	13,662
Adjustment to retained earnings	**$ (137,726)**

(Amounts Expressed in Thousands of New Taiwan Dollars)

2.Under R.O.C. GAAP, gain from sale and leaseback transaction is deferred and amortized over the period of contracts using the straight-line method. Under IFRS as endorsed by FSC, gain from sale and leaseback transaction is recognized immediately as the risk and reward of ownership are already transferred.

Under IFRS as endorsed by FSC, the following adjustments are made.

	For the three months ended June 30, 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Operating revenue	$ (127,157)	(127,157)
Operating expenses	(25,073)	(48,836)
Adjustments before income tax	**$ (152,230)**	**(175,993)**

	2012.6.30
Consolidated statements of balance sheet	
Other non-current liabilities－other	$ 217,292
Other equity	2,666
Related tax effect	(3,618)
Adjustment to retained earnings	**$ 216,340**

3.Under IFRS, certain land and buildings, which were originally classified as other assets under R.O.C. GAAP, are reclassified to property and equipment depending on the intention of the Group to hold these assets.

Under IFRS as endorsed by FSC, the following adjustments are made.

	2012.6.30
Consolidated statements of balance sheet	
Property, plant and equipment	$ 175,690
Other assets	(175,690)
Adjustment to retained earnings	**$ -**

4.Under IFRS as endorsed by FSC, all actuarial gains and losses arising from defined benefit plans are recognized in other comprehensive income. Under R.O.C. GAAP, actuarial gains and losses are amortized over the expected average remaining service lives of the participating employees. At the date of transition, all previously unrecognized cumulative actuarial gains and losses are recognized in retained earnings and reversed in the previous years' statements of comprehensive income.

(Amounts Expressed in Thousands of New Taiwan Dollars)

Under IFRS as endorsed by FSC, the following adjustments are made.

	For the three months ended June 30, 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Operating expenses	$ 7,101	11,630
Adjustments before income tax	**$ 7,101**	**11,630**

	2012.6.30
Consolidated statements of balance sheet	
Other current assets – other	$ (236)
Other non-current liabilities	(557,015)
Other equity	(14,512)
Non-controlling interest	8,185
Related tax effect	96,634
Adjustment to retained earnings	**$ (466,944)**

5.Under IFRS as endorsed by FSC, financial assets designated as available for sale are have been recognized at fair value. Under R.O.C. GAAP, these assets were previously carried at cost.

Under IFRS as endorsed by FSC, the fair value of the financial assets designated as available-for-sale financial assets amounted to $1,085,758 at the date of transition. Under R.O.C. GAAP, their carrying amount was $1,445,986.

Under IFRS as endorsed by FSC, the following adjustments are made.

	For the three months ended June 30, 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Unrealized gains or losses on available-for-sale financial assets	$ (29,974)	129,760
Adjustments before income tax	**$ (29,974)**	**129,760**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.6.30
Consolidated statements of balance sheet	
Available-for-sale financial assets	$ 1,210,787
Financial assets carried at cost	(1,441,255)
Other comprehensive income	230,468
Adjustment to retained earnings	**$ -**

6.Under IFRS as endorsed by FSC, the Group have a present legal or constructive obligation on accumulated short-term paid leaves granted as a result of past service provided by the employees; therefore, expected costs of accumulated short-term paid leaves are recognized as liabilities.

Under IFRS as endorsed by FSC, the following adjustments are made.

	For the three months ended June 30, 2012	For the six months ended June 30, 2012
Consolidated statements of comprehensive income		
Operating expenses	$ 5,478	(14,503)
Adjustments before income tax	**$ 5,478**	**(14,503)**

	2012.6.30
Consolidated statements of balance sheet	
Other current financial liabilities	$ (22,700)
Non-controlling interests	10
Adjustment to retained earnings	**$ (22,690)**

7.Under IFRS as endorsed by FSC, the adjustments above increased (decreased) the deferred tax assets (liabilities) as follows:

	2012.6.30
Construction in progress	$ 13,662
Deferred credits	(3,618)
Employee benefits	96,634
Increase (decrease) in deferred tax assets (liabilities)	**$ 106,678**

Under IFRS as endorsed by FSC, the adjustments above decreased the income tax expense of the statement of comprehensive income by $2,506 and $2,691 for the three months and for the six months ended June 30, 2012, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

8.Retained earnings decrease (increase) by the changes mentioned above as follows:

	2012.6.30
Construction in progress	$ (137,726)
Sale and leaseback	216,340
Employee benefits－actuarial gains or losses	(466,944)
Employee benefits－paid leaves	(22,690)
Decrease in retained earnings	**$ (411,020)**

(d) Except for optional exemptions and mandatory exceptions under IFRS 1, the Group are required to determine the accounting policies under IFRS as endorsed by FSC and retrospectively apply those accounting policies in its opening balance sheet at the date of transition. The key optional exemptions adopted by the Group were as follows:

1.The Group elected not to apply IFRS3 retrospectively to past business combinations, acquisitions of subsidiaries, and related parties transactions, which occurred before January 1, 2012.

2.The Group elected to recognize all cumulative actuarial gains and losses in retained earnings as of January 1, 2012.

3.According to the existing facts and situations on December 31, 2011, the Group may determine whether arrangements in existence on the date of transition to IFRSs contain leases by applying paragraphs 6–9 of IFRIC 4 to those arrangements on the basis of facts and circumstances existing on that date.