Stock Code：5871

(English Translation of Financial Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

INTERIM CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 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 March 31, 2013, and December 31, March 31, January 1, 2012, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, and consolidated statements of cash flows for the three month periods ended March 31, 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$ 33,736,198 thousand and NT$ 26,018,943 thousand constituting 19% and 19%, respectively, of the Company's consolidated total assets; total liabilities of NT$ 31,414,436 thousand and NT$ 24,317,581 thousand constituting 21% and 20%, respectively, of the Company's consolidated total liabilities; comprehensive income of NT$ 126,517 thousand and NT$ 162,393 thousand constituting 6% and 22%, respectively, of the Company's consolidated comprehensive income as of March 31, 2013 and 2012, and for the three months then ended.

As described in Note (6)(g), long term investments under equity method of NT$ 7,264 thousand and NT$ 1,272 thousand as of March 31, 2013 and 2012, respectively, and related investment income thereof amounting to NT$ 45 thousand and NT$ 29 thousand for the three month periods ended March 31, 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 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.
May 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 auditors' 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

March 31, 2013, and December 31, March 31, January 1, 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets：								
1100	Cash and cash equivalents (Notes (6)(a) and (7))	$ 10,649,208	6	10,131,431	6	7,330,750	5	6,558,070	5
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	365,903	-	236,246	-	287,020	-	240,841	-
1130	Current held-to-maturity financial assets (Note (6)(b))	2,814,000	2	1,997,100	1	280,000	-	280,000	-
1170	Accounts receivable, net (Notes (6)(d) and (7))	116,078,419	66	110,970,208	67	89,231,882	65	89,839,107	66
1324	Construction in progress (Notes (6)(e), (7), and (8))	817,646	-	771,503	1	649,372	1	616,069	-
1476	Other current financial assets (Note (8))	6,047,756	4	6,748,887	4	6,369,092	5	6,113,565	5
1479	Other current assets – others (Notes (6)(f) and (7))	1,691,330	1	1,442,367	1	1,123,506	1	1,179,503	1
		138,464,262	79	132,297,742	80	105,271,622	77	104,827,155	77
	Non-current assets：								
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	1,779,708	1	1,791,558	1	1,804,001	1	1,838,291	1
1523	Non-current available-for-sale financial assets (Note (6)(b))	1,241,293	1	1,202,629	1	1,239,880	1	1,085,758	1
1528	Non-current held-to-maturity financial assets (Note (6)(b))	698,000	-	490,000	-	-	-	-	-
1550	Investments accounted under equity method (Notes (6)(g) and (8))	7,264	-	7,062	-	1,272	-	1,243	-
1600	Property, plant and equipment (Notes (6)(h) and (8))	6,297,413	4	6,504,695	4	8,139,321	6	8,723,610	7
1780	Intangible assets (Note (6)(i))	25,502	-	23,087	-	23,952	-	24,669	-
1840	Deferred tax assets	1,584,046	1	1,739,184	1	1,235,846	1	1,226,695	1
1930	Long-term accounts receivable, net (Notes (6)(d) and (7))	24,936,717	14	21,742,423	13	18,473,342	14	17,160,953	13
1995	Other non-current assets – others (Notes (7) and (8))	823,528	-	813,178	-	496,240	-	394,329	-
		37,393,471	21	34,313,816	20	31,413,854	23	30,455,548	23
	TOTAL ASSETS	**$ 175,857,733**	**100**	**166,611,558**	**100**	**136,685,476**	**100**	**135,282,703**	**100**

		2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities：								
2100	Short-term borrowings (Note (6)(j))	$ 56,866,805	32	51,043,587	31	41,257,424	30	39,831,048	30
2120	Current financial liabilities at fair value through profit or loss (Note (6)(b))	-	-	5,007	-	6,240	-	757	-
2125	Current derivative financial liabilities for hedging (Note (6)(b))	9,461	-	11,396	-	12,673	-	15,988	-
2150	Accounts and notes payable	873,922	1	1,772,943	1	1,119,881	1	2,312,415	2
2230	Current tax liabilities	708,576	-	675,265	-	890,616	1	669,271	-
2305	Other current financial liabilities (Note (7))	17,557,645	10	17,323,227	10	13,106,105	9	13,186,866	10
2312	Advance real estate receipts (Note (6)(e))	302,039	-	302,039	-	178,799	-	173,091	-
2320	Long-term liabilities – current portion (Notes (6)(j), (6)(k), and (8))	48,171,891	28	48,013,874	29	40,203,781	29	37,541,490	28
2399	Other current liabilities – others	1,085,616	1	1,160,557	1	829,954	1	816,093	-
		125,575,955	72	120,307,895	72	97,605,473	71	94,547,019	70
	Non-current Liabilities：								
2530	Bonds payable (Note (6)(k))	7,486,495	4	6,948,536	4	5,174,240	4	5,175,290	4
2540	Long-term borrowings (Note (6)(j))	12,926,556	7	11,931,451	7	14,810,263	11	17,168,295	13
2570	Deferred tax liabilities	1,199,599	1	976,090	1	405,471	-	303,973	-
2600	Other non-current liabilities (Note (6)(m))	1,511,431	1	1,435,965	1	1,367,379	1	1,272,635	1
		23,124,081	13	21,292,042	13	21,757,353	16	23,920,193	18
	Total Liabilities	148,700,036	85	141,599,937	85	119,362,826	87	118,467,212	88
	Equity attributable to owners of parent：(Note (6)(o))								
3100	Share capital	9,053,004	5	9,053,004	5	7,853,004	6	7,853,004	6
3200	Capital surplus	9,411,771	5	9,411,771	6	4,656,903	3	4,694,420	3
3350	Unappropriated retained earnings	6,468,621	4	5,082,354	3	3,913,298	3	3,177,765	2
3400	Other equity	272,710	-	(278,849)	-	(222,727)	-	(177,169)	-
	Total equity attributable to owners of parent	25,206,106	14	23,268,280	14	16,200,478	12	15,548,020	11
36XX	**Non-controlling interests**	1,951,591	1	1,743,341	1	1,122,172	1	1,267,471	1
	Total equity	27,157,697	15	25,011,621	15	17,322,650	13	16,815,491	12
	TOTAL LIABILITIES AND EQUITY	**$ 175,857,733**	**100**	**166,611,558**	**100**	**136,685,476**	**100**	**135,282,703**	**100**

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 Comprehensive Income

For the three months ended March 31, 2013 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the three months ended March 31,			
		2013		2012	
		Amount	%	Amount	%
	Operating revenue：(Note (4)(n))				
4111	Sales revenue	$ 1,238,285	19	352,426	8
4810	Interest revenue - installment sales	1,470,666	23	1,049,773	22
4820	Interest revenue - capital leases	1,787,983	28	1,403,466	30
4300	Rental revenue - operating leases	664,879	10	791,472	17
4230	Interest revenue - loans	318,900	5	243,888	5
4240	Other interest revenue	200,164	3	325,794	7
4800	Other operating revenue	807,953	12	497,568	11
		6,488,830	100	4,664,387	100
	Operating costs：				
5111	Cost of sales	1,102,242	17	325,184	7
5240	Interest expense (Note (6)(e))	1,002,369	15	985,250	21
5300	Cost of rental sales	509,713	8	674,689	14
5800	Other operating costs	150,206	2	77,760	2
		2,764,530	42	2,062,883	44
	Gross profit from operation	3,724,300	58	2,601,504	56
6000	**Operating expenses**	(1,882,861)	(29)	(1,632,401)	(35)
6500	**Net other income and expenses (Note (6)(q))**	33,683	1	136,368	3
	Operating profit	1,875,122	30	1,105,471	24
	Non-operating income and expenses：				
7100	Interest income	39,101	1	18,478	-
7020	Other gains and losses (Note (6)(r))	120,250	1	21,865	-
7060	Share of profit of associates and joint ventures accounted for using equity method (Note (6)(g))	45	-	29	-
		159,396	2	40,372	-
	Profit before income tax	2,034,518	32	1,145,843	24
7950	**Income tax expense (Note (6)(n))**	(569,643)	(9)	(361,314)	(8)
	Profit for the period	1,464,875	23	784,529	16
8300	**Other comprehensive income (loss)：**				
8310	Exchange differences on translation of foreign financial statements	769,213	12	(271,638)	(6)
8325	Unrealized gains on available-for-sale financial assets	36,698	1	159,734	3
8330	Gains of effective portion of cash flow hedges	1,935	-	3,315	-
8340	Gains (losses) of effective portion of hedges of net investment in foreign operations	(76,718)	(1)	14,500	-
8390	Other comprehensive income - other	(49,927)	(1)	46,897	1
8300	**Other comprehensive income (loss) for the period, net of tax**	681,201	11	(47,192)	(2)
	Total comprehensive income for the period	**$ 2,146,076**	**34**	**737,337**	**14**
	Profit attributable to：				
8610	Owners of parent	$ 1,386,267	22	735,533	15
8620	Non-controlling interests	78,608	1	48,996	1
		$ 1,464,875	**23**	**784,529**	**16**
	Comprehensive income attributable to：				
	Owners of parent	$ 1,937,826	31	689,975	13
	Non-controlling interests	208,250	3	47,362	1
.		**$ 2,146,076**	**34**	**737,337**	**14**
	Earnings per share attributable to stockholders of parent (NT dollars) (Note (6)(p))	**$**	**1.53**		**0.94**

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

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CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2013 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent										
				Other equity							
	Share capital	Capital surplus	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
Changes in other capital surplus：											
Movements of equity-accounted investees	-	(37,517)	-	-	-	-	-	-	(37,517)	-	(37,517)
Net income for the period	-	-	735,533	-	-	-	-	-	735,533	48,996	784,529
Other comprehensive income for the period	-	-	-	(270,004)	159,734	3,315	14,500	46,897	(45,558)	(1,634)	(47,192)
Total comprehensive income for the period	-	-	735,533	(270,004)	159,734	3,315	14,500	46,897	689,975	47,362	737,337
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(192,661)	(192,661)
Balance as of March 31, 2012	**$ 7,853,004**	**4,656,903**	**3,913,298**	**(70,957)**	**(200,494)**	**(12,673)**	**14,500**	**46,897**	**16,200,478**	**1,122,172**	**17,322,650**
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	-	-	1,386,267	-	-	-	-	-	1,386,267	78,608	1,464,875
Other comprehensive income for the period	-	-	-	639,571	36,698	1,935	(76,718)	(49,927)	551,559	129,642	681,201
Total comprehensive income for the period	-	-	1,386,267	639,571	36,698	1,935	(76,718)	(49,927)	1,937,826	208,250	2,146,076
Balance as of March 31, 2013	**$ 9,053,004**	**9,411,771**	**6,468,621**	**501,049**	**(197,401)**	**(9,461)**	**(47,023)**	**25,546**	**25,206,106**	**1,951,591**	**27,157,697**

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 three months ended March 31, 2013 and 2012

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31, 2013	For the three months ended March 31, 2012
Cash flows from operating activities：		
Profit before income tax	$ 2,034,518	1,145,843
Adjustments to reconcile profit：		
Depreciation expense	389,746	475,356
Amortization expense	15,706	10,888
(Gain) loss on financial assets and liabilities at fair value through profit or loss	(14,353)	14,482
Interest expense	1,002,369	985,250
Interest income	(3,777,713)	(3,022,921)
Share of profit (loss) of associates and joint ventures accounted for using equity method	(45)	(29)
(Gain) loss on disposal of property, plant and equipment	(12,650)	1,854
Gain on disposal of foreclosed assets	-	(106,268)
Impairment loss on financial assets	505,811	315,013
Impairment loss on non-financial assets	133,769	219,194
Total adjustments to reconcile profit (loss)	(1,757,360)	(1,107,181)
Change in operating assets and liabilities：		
Change in operating assets：		
Increase in financial assets held for trading	(108,765)	(20,881)
Increase in accounts receivable	(11,622,037)	(3,745,928)
Proceeds from financial assets securitization	2,813,720	2,728,495
Increase in construction in progress	(46,143)	(33,303)
Decrease (increase) in other current financial assets	1,280,932	(467,621)
(Increase) decrease in other current assets	(647,513)	143,134
Proceeds from sales of operating lease assets	372,456	234,034
Purchase of operating lease assets	(595,268)	(379,941)
Other non-current assets – others	(16,807)	(210,008)
Total changes in operating assets	(8,569,425)	(1,752,019)
Changes in operating liabilities：		
Decrease in accounts payable	(899,021)	(1,192,534)
Increase in long-term and short-term debts	45,261,439	20,778,534
Repayment of long-term and short-term debts	(37,839,972)	(19,271,539)
Other current financial liabilities	(693,039)	344,573
Increase in accrued pension liabilities	13,136	8,384
Other current liabilities – others	793,943	260,195
Other non-current liabilities	62,330	86,360
Total changes in operating liabilities	6,698,816	1,013,973
Total changes in operating assets and liabilities	(1,870,609)	(738,046)
Total adjustments	(3,627,969)	(1,845,227)
Cash outflow generated from operation	(1,593,451)	(699,384)
Interest received	3,753,528	3,005,767
Interest paid	(943,321)	(977,639)
Income taxes paid	(184,049)	(29,558)
Net cash provided by operating activities	1,032,707	1,299,186
Cash flows from investing activities：		
Acquisition of held-to-maturity financial assets	(1,024,900)	-
Acquisition of property, plant and equipment	(21,253)	(107,637)
Proceeds from disposal of property, plant and equipment	1,853	2,205
Acquisition of intangible assets	(2,032)	(162)
Net cash used in investing activities	(1,046,332)	(105,594)
Cash flows from financing activities：		
Changes in non-controlling interests	-	(225,770)
Net cash used in financing activities	-	(225,770)
Effect of exchange rate changes on cash and cash equivalents	440,967	(243,138)
Net increase in cash and cash equivalents	427,342	724,684
Cash and cash equivalents, beginning of period	10,064,721	6,539,827
Cash and cash equivalents, end of period	$ **10,492,063**	**7,264,511**

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

(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.

On December 31, 2009, the Company formally contracted to swap equity shares of stock with its parent company, Financial One Corp. (FOC). Under this contract, the Company issued 785,121,306 shares of stock to acquire 100% stock ownership of 800,997,223 shares of stock of Chailease International Company (Malaysia) Limited from FOC. The transaction date was effective on December 31, 2009.

On December 31, 2009, the Company formally contracted to swap equity shares of stock with its parent company, Financial One Corp. (FOC). Under this contract, the Company issued 130,792,490 shares of stock to acquire 100% stock ownership of 20,000,000 shares of stock of Golden Bridge (B.V.I) Corp. from FOC. The transaction date was effective on December 31, 2009.

On July 1, 2010, the Company formally contracted with its parent company (FOC) to buy back from FOC the ownership of 224,845,418 shares of the Company's shares of stock, effective July 1, 2010. These shares of treasury stock were all retired as of December 31, 2010.

Through a formal resolution approved during the meeting by the stockholders of the parent company (FOC) on May 27, 2011, FOC repurchased most of its outstanding shares of stock from its stockholders in exchange for ownership of the shares of stock of the Company, so that FOC no longer owns the Company's equity shares.

As of March 31, 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 consolidated financial statements were reported to and approved by the Board of Directors and issued on May 13, 2013 .

(3) New Standards and Interpretations not yet Adopted

(a) New standards and interpretations approved by the Financial Supervisory Commissions R.O.C. ("FSC") but not yet in effective

International Accounting Standards Board ("IASB") issued International Financial Reporting Standard 9 Financial instruments ("IFRS 9"), which is effective on January 1, 2013. (IASB postponed the effective date to January 1, 2015, in December 2011.) Although this standard had been endorsed by the FSC; the effective date thereof has not been announced yet. In accordance with the rules promulgated by the FSC, early adoption of this standard is not permitted, and companies shall follow the guidance of to the 2009 version of the International Accounting Standards 39 Financial instruments ("IAS 39"). The adoption of this new standard is expected to have significant impacts to the classification and measurement of financial instruments in the consolidated financial statements.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(b) New standards and interpretations not yet approved by the FSC

New standards and amendments issued by the IASB not yet endorsed by the FSC that may impact the consolidated financial statements:

Issue date	New standards and amendments	Description	Effective date per IASB
May 12, 2011 June 28, 2012	• IFRS 10 *Consolidated financial statements* • IFRS 11 *Joint arrangements* • IFRS 12 *Disclosure of interests in other entities* • Amended IAS 27 *Separate financial statements* • Amended IAS 28 *Investments in associates and joint ventures*	• On May 12, 2011, the IASB issued a series of standards and amendments related to consolidation, joint arrangements, and investments. • The new standards provide a single model in determining whether an entity has control over an investee (including special purpose entities), other than consolidation process, in which the original guidance and method applies. In addition, joint arrangements are separated into joint operations (concepts from joint controlled assets and joint controlled operations), and joint venture (concepts from jointly controlled entities), and removal of the proportionate consolidation method. • On June 28, 2012, issuance of amendments clarifying the guidance over the transition period.	January 1, 2013
May 12, 2011	IFRS 13 *Fair value measurement*	Replaces fair value measurement guidance in other standards, and consolidated as one single guidance.	January 1, 2013
June 16, 2011	Amended IAS 1 *Presentation of financial statements*	Items presented in other comprehensive income are conditioned on whether they are potentially reclassifiable to profit or loss subsequently.	July 1, 2012
June 16, 2011	Amended IAS 19 *Employee benefits*	Eliminates the corridor method and eliminates the option to recognize changes in the net defined benefit liability (asset) in profit or loss; in addition, requires the immediate recognition of past service cost.	January 1, 2013

As the standards and amendments above have not been endorsed by the FSC, the Group are unable to assess the impact thereof to the consolidated financial statements at the time of adoption.

(4) Significant Accounting Policies

The significant accounting policies adopted in the interim consolidated financial statements are as follows:

The significant accounting policies have been applied consistently to all periods presented in these interim consolidated financial statements, and have been applied consistently to the consolidated statement of financial position prepared under IFRS as endorsed by FSC (ROC) as of January 1, 2012.

(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 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).

(b) Basis of preparation

1.Basis of measurement

The interim consolidated financial statements have been prepared on historical cost basis except for the following material accounts in the statement of financial position:

1) Financial instruments measured at fair value through profit or loss are measured at fair value;

2) Available-for-sale financial assets are measured at fair value;

3) Derivative financial instruments are measured at fair value;

2.Functional and presentation currency

The functional currency of each entity of the Group is determined based on the primary economic environment in which the entity operates. The Group consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

1.Principle of preparation of the interim consolidated financial statements

The interim consolidated financial statements comprise the Company and its subsidiaries. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Income (losses) applicable to non controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

(Amounts Expressed in Thousands of New Taiwan Dollars)

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the interim consolidated financial statements.

1) Changes in ownership interest

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

2) Special purpose entities

Special purpose entities (SPE) are established for trading and investment purpose. The Group do not have any direct or indirect shareholdings in these entities. An SPE is consolidated if, based on an evaluation of the substance of its relationship with the Group and the SPE's risks and rewards, the Group conclude that it controls the SPE. SPEs controlled by the Group were established under terms that impose strict limitations on the decision making powers of the SPEs' management and that result in the Group receiving the majority of the benefits related to the SPEs' operations and net assets, being exposed to the majority of risks incident to the SPEs' activities, and retaining the majority of the residual or ownership risks related to the SPEs or their assets.

2.Subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2013.3.31	2012.12.31	2012.3.31	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 %	
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.	International trading	100.00 %	100.00 %	100.00 %	100.00 %	

(Amounts Expressed in Thousands of New Taiwan Dollars)

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2013.3.31	2012.12.31	2012.3.31	2012.1.1	Note
Chailease International Finance Corporation	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 struck off 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 %	
Chailease International Company (Malaysia) Limited and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	47.00 %	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 %	

(Amounts Expressed in Thousands of New Taiwan Dollars)

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2013.3.31	2012.12.31	2012.3.31	2012.1.1	Note
Chailease Finance Co., Ltd.	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.
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 %	

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

(d) Foreign Currency

1.Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period adjusted for the effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to the following which are recognized in other comprehensive income:

1) available-for-sale equity investment;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent the hedge is effective.

2.Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations, excluding foreign operations in hyperinflationary economies, are translated at average exchange rate. Translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group dispose of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group dispose of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising thereon form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the exchange differences on translation of foreign financial statements in equity.

3.Hedge of a net investment in foreign operation

Hedge accounting is adopted for hedge of a net investment in foreign operation, regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the exchange differences on translation of foreign financial statements in equity. To the extent that the hedge is ineffective, such differences are recognized in profit or loss.

(e) Classification of current and non-curent assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

1.It is expected to be realized, or sold or consumed, in the normal operating cycle;

2.It is held primarily for the purpose of trading;

3.It is expected to be realized within twelve months after the reporting period; or

4.The asset is cash and cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

1.It is expected to settled in the normal operating cycle;

2.It is held primarily for the purpose of trading;

3.It is due to be settled within twelve months after the reporting period; or

4.It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

Financial assets and financial liabilities are initially recognized when the Group become a party to the contractual provisions of the instruments.

1.Financial assets

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

1) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is classified as held-for-trading or is designated as such on initial recognition.

Financial assets classified as held-for-trading if it is acquired principally for the purpose of selling in the short term. The Group designate financial assets, other than ones classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

A.Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise

B.Performance of the financial asset is evaluated on a fair value basis

C.Hybrid contains one or more embedded derivatives

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognised in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend and interest income, are recognised in profit or loss, and are included in operating revenue or other income and other gains or losses of non-operating revenues and expenses. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at amortised cost, and are included in financial assets measured at cost.

2) Available-for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognised initially at fair value, plus, any directly attributable transaction cost. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, interest income calculated using the effective interest method, dividend income, and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss, and is included in other income and other gains or losses of non-operating revenues and expenses. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Investments in equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured, are measured at amortised cost, and are included in financial assets measured at cost.

Dividend income is recognised in profit or loss on the date that the Group’s right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date. Such dividend income is included in other income of non-operating revenues and expenses.

Interest income from investment in bond security is recognised in profit or loss, under other income of non-operating revenues and expenses.

3) Held-to-maturity financial assets

If the Group have the positive intent and ability to hold debt securities to maturity, such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognised initially at fair value, plus, any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortised cost using the effective interest method, less any impairment losses. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

Interest income is recognised in profit or loss, under operating revenue, other income of non-operating revenues and expenses.

4) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value, plus, any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses, other than insignificant interest on short-term receivables. A regular way purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

5) Impairment of financial assets

Except for financial assets at fair value through profit or loss, other financial assets are assessed for impairment at each reporting date. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is accounted for as objective evidence of impairment.

All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group use historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than the one suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversible in subsequent periods.

An impairment loss in respect of a financial asset is reduced from the carrying amount, except for trade receivables, in which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Any subsequent recovery of receivable written off is recorded in the allowance account. Changes in the amount of the allowance accounts are recognised in profit or loss.

Impairment losses on available-for-sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss.

If, in a subsequent period, the amount of impairment loss of financial assets measured at amortised cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the decrease in impairment loss is reversed through profit or loss, to the extent that the carrying value of the asset does not exceed its amortised cost before impairment was recognised at the reversal date.

Impairment losses recognised on available-for-sale equity security are not reversed through profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income, and accumulated in other equity. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in profit or loss.

Impairment losses and recoveries are recognised in profit or loss, under operating expenses or items of non-operating revenues and expenses.

6) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the asset are terminated, or when the Group transfer substantially all the risks and rewards of ownership of financial assets.

On derecognition of a financial asset in its entity, the difference between the carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognised in other comprehensive income and presented in other equity – unrealised gains or losses from available for sale financial assets are recognised in profit or loss, under operating revenues or other gains or losses of non operating revenues and expenses.

The difference between the carrying amount of and the consideration received for financial assets derecognised and any cumulative gain or loss allocated to such financial assets that had been recognised in other comprehensive income, are recognised in profit or loss under other gains or losses of non-operating revenues and expenses.

2.Financial liabilities and equity instruments

1) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if it is classified as held-for-trading or is designated as such on initial recognition.

Financial liabilities are classified as held-for-trading if it is acquired principally for the purpose of selling in the short term. The Group designate financial liabilities, other than those classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

A.Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses thereon on different basis;

B.Performance of the financial liabilities is evaluated on a fair value basis;

C.Hybrid instrument contains one or more embedded derivatives.

Attributable transaction costs are recognised in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which takes into account any interest expense, are recognised in profit or loss, under other gains or losses of non-operating revenues and expenses.

2) Other financial liabilities

Financial liabilities not classified as held-for-trading, or designated as at fair value through profit or loss are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortised cost calculated using the effective interest method. Interest expense not capitalised as capital cost is recognised in profit or loss, and is included in operating costs.

3.Derivative financial instruments, including hedge accounting

The Group hold derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are recognised initially at fair value; and attributable transaction costs are recognised in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss, under other gains or losses of non-operating revenues and expenses.

When a derivative is designated as a hedging instrument, its timing of recognition to profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, and when the fair value is negative, it is classified as a financial liability.

For derivatives that are linked to investments in equity instruments that do not have a quoted market price in an active market and must be settled by delivery of such an unquoted equity instruments, derivatives that are classified as financial assets, are measured at amortized cost, and are included in financial assets measured at cost; and those that are classified as financial liabilities are measured at cost, and are included in financial liabilities measured at cost.

Embedded derivatives are separated from the host contract and accounted for separately when the economic characteristics and risk of the host contract and the embedded derivatives are not closely related, and that the host contract is not measured at fair value through profit or loss.

The Group designate its hedging instruments, including derivatives, embedded derivatives, and non-derivative instrument for a hedge of a foreign currency risk, as fair value hedge, cash flow hedge, or hedge of a net investment in a foreign operation. Foreign exchange risk of firm commitments are treated as a fair value hedge.

On initial designation of the derivative as a hedging instrument, the Group formally document the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, and whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

1) Fair value hedge

Changes in the fair value of a hedging instruments designated and qualified as fair value hedges are recognised in profit or loss, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

Hedged financial instruments using an effective interest rate is amortised to profit or loss when hedge accounting is discontinued over the period to maturity.

2) Cash flow hedge

When a derivative is designated as a cash flow hedge, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income and presented in other equity – effective portion of cash flow hedge gain (loss). Any ineffective portion of changes in the fair value of the derivative is recognised immediately in profit or loss, under other gains or losses of non-operating revenue and expenses.

When the hedged item is recognised in profit or loss, the amount accumulated in equity and retained in other comprehensive income is reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss, and is presented in the same accounting caption with the hedged item recognised in the consolidated statement of comprehensive income.

For a cash flow hedge of a forecast transaction recognised as a non-financial assets or liabilities, the amount accumulated in other equity – effective portion of cash flow hedge gain (loss) and retained in other comprehensive income is reclassified as the initial cost of the non-financial asset or liability.

3) Hedge of a net investment in a foreign operation

Any effective portion of the gains or losses of a hedging instrument is recognised under other comprehensive income and presented in other equity – effective portion of a hedge of a net investment in a foreign operation gain (loss). Any ineffective portion of such gains or losses is recognised in profit or loss, under operating costs or other gains or losses of non-operating revenues and expenses.

The gains and losses of an effective portion of a hedging instrument presented in other equity – effective portion of a hedge of a net investment in a foreign operation gain (loss) is reclassified in profit or loss, under operating costs or other gains or losses of non-operating revenues and expenses, upon disposal of the investment.

(h) Financial assets securitization

Under the Regulations for Financial Assets Securitization, the Group, with the assistance of a trustee, securitize its financial assets for purposes of offering asset-backed securities in the form of related beneficiary certificates through a special-purpose trust. Once the financial asset is securitized, the Group no longer retain the ownership title of the asset, and thus, remove the asset from the condensed consolidated balance sheet and recognize any gains or losses from securitization. The Group retain the subordinated securities, which are classified as financial assets at fair value through profit or loss, for purposes of building confidence and trust among potential investors.

Gains or losses from securitization are determined based on the difference between the proceeds from securitization and carrying value of the securitized financial assets. The cost of each class of asset-backed securities, which is determined based on the previous carrying value of the securitized financial assets, is allocated in proportion to the fair value of each class of the asset-backed securities and the retained interests on the date of transfer. As there exists no active trade market for securitized financial assets, the fair value of each class of asset-backed securities and the retained interests are evaluated based on the present value of future cash flows considering the expected credit loss rate, discount rate, and other relevant risks associated with the financial asset.

The cash receipts of subordinated seller certificates from the trustee are accounted for using the cost recovery method. On the balance sheet date, the fair value of these certificates is evaluated based on the present value of expected future cash flows, and the resulting gains or losses (if any) are recognized in profit or loss.

(i) Investment in associates

Associates are those entities in which the Group have significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group hold between 20% and 50% of the voting power of another entity.

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from business acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of equity accounted investees, after adjustments to align the accounting policies of investees with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

Unrealized profits resulting from the transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except when that the underlying asset is impaired.

When the Group's share of losses exceeds its interest in associates, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except when the Group have an obligation or have made payments on behalf of the investee.

(j) Property, plant, and equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of a self-constructed asset comprises material, labour, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that eligible for capitalization. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. The cost of the software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and is recognized under net other income and expenses of profit or loss.

2.Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts of fixed assets that are replaced is derecognized. Ongoing repairs and maintenance is expensed as incurred.

3.Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately.

Leased assets are depreciated by using straight-line method during the period of expected use, consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. If there is reasonably certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise, the asset is depreciated over the shorter of the lease term and its useful life.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings	6~56years
2) Transportation equipment	3~ 6years
3) Miscellaneous equipment	4~16years
4) Assets held for lease	1~12years
5) Leasehold improvements	5years

The depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(k) Leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. If the Group are a lessor under finance leases, the amounts due under such leases, after deduction of unearned charges, are accounted for as ‘Loans and receivables’ as appropriate. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Unearned finance income is amortized and recognized as interest revenue of operating revenues over the periods of the leases in order to give a constant rate of return on the net investment in the leases.

If the Group are lessees under finance leases, leased assets are capitalized to ‘Property, plant and equipment’ and the corresponding liability to the lessor is accounted for as ‘Other payables’. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognized over the period of the lease based on the interest rate implicit in the lease in order to give a constant rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. As a lessor, the Group classify the assets used for operating leases as ‘Property, plant and equipment’ which are accounted for accordingly. Impairment losses thereon are recognized for the excess of the carrying value over the recoverable amount of those assets. As a lessee, the Group do not recognize the leased assets on the balance sheets.

Rentals expenses and revenue under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in ‘Costs of operating leases’ of operating costs and ‘Rental revenue’ of operating revenue, respectively.

(l) Intangible assets

1.Goodwill

Goodwill is measured at cost less accumulated impairment losses. Impairment loss on equity investment in investees accounted for under the equity method is not allocated to any asset, including goodwill that forms part of the carrying amount of such investment.

2.Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortisation and any accumulated impairment losses. The amortizable amount is determined based on the cost of an asset less its residual values. Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date when they are made available for use. The residual value, amortisation period and amortisation method for an intangible asset are reviewed at least annually at each financial year end. Any change thereof is accounted for as a change in accounting estimate.

(m) Impairment of non-financial assets

The carrying amounts of the Group’s non-financial assets, other than assets arising from construction contracts, deferred tax assets, and assets arising from employee benefits, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group determine the recoverable amount for the asset's cash-generating unit (CGU).

The recoverable amount for individual asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The excess of carrying amount of the asset over its recoverable amount is recognized as an impairment loss which is charged to profit or loss.

An assessment is made at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been an improvement in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognized.

Notwithstanding whether indicators exist, recoverability of goodwill and intangible assets with indefinite useful lives or those not yet in use is tested at least annually. Impairment loss is recognized if the recoverable amount is less than the carrying amount.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer's cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

If the carrying amount of each of the cash-generating units exceeds the recoverable amount of the unit, impairment loss is recognized and is allocated to reduce the carrying amount of each asset in the unit.

Reversal of an impairment loss for goodwill is prohibited.

(n) Revenue recognition policies for the various businesses activities

1.Sales revenue

Sales revenue is recognized when title of ownership to the product and the risks and rewards of ownership are transferred to the customer.

2.Installment sales revenue

The revenue from installment sales is calculated using ordinary sales method. Under this method, gross profit between sales determined at normal selling price and cost of sales is recognized on selling date. The excess installment sales over the sales determined at normal selling price is treated as unearned interest revenue, which is subsequently recognized as interest revenue by using the interest method. Unearned interest revenue is treated as a deduction item of installment sales receivable. The ownership of the property is transferred upon receipt of the full amount of installment sales receivable.

3.Leasing business

Lease contracts are classified as capital or operating leases based on certain criteria, such as the lease terms, the likelihood of collecting receivables under lease contracts, and future cost to be borne by the lessor. The revenues generated from leasing business are interest revenue for capital leases and rental revenue for operating leases.

4.Loans receivable

Loans are recorded at its principal amount. Interest income is recognized on accrual basis. If the collectability of interest receivable is in question, the recognition of interest income is deferred to the point of collection.

5.Accounting for factoring of accounts receivable

The Group are engaged in factoring of accounts receivable with or without recourse. Factoring of accounts receivable is treated as a purchase if it meets the conditions described below, otherwise, it is treated as financing of accounts receivable:

1) When the factoring transfers and surrenders all or part of the control over the financial assets, the factored receivables are deemed to be reasonably collectable with no restrictions.

2) Control over transferred accounts receivable is deemed to have been transferred under all of the following conditions:

A.The transferred accounts receivable are isolated from the transferor – put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership situation.

B.Either (1) each transferee obtains the right – free of conditions that prevent the transferee from taking advantage of that right – to pledge or exchange the transferred accounts receivable or (2) the transferee is a qualifying special-purpose entity and the holders of beneficial interests in that entity have the right – free of conditions that prevent them from taking advantage of the right – to pledge or exchange those interests.

C.The transferor does not maintain effective control over the transferred accounts receivable through (1) an agreement that both entitle and obligates the transferor to repurchase or redeem them before their maturity or (2) an agreement that entitles the transferor to repurchase or redeem transferred accounts receivable that are not readily obtainable.

6.Fee and commission

Fee and commission income is earned from a range of services rendered by the Group to its customers, and comprises income earned from services rendered over a period of time as well as transaction-type services.

Fees earned from providing services over a period of time are recognized over the service period during which the related service is provided or credit risk is undertaken. Fee and commission income from such services comprises mainly loans, guarantees, and other management and advisory fees. When a fee is charged in lieu of interest, such fee is amortized over the same period that the related interest income is recognized.

Cost or expense arising from providing the above service is recognized when such cost or expense is incurred.

(o) Employee benefits

1.Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.Defined benefit plans

Aside from the defined contribution plan, the Group also maintain defined benefit plans, which are post-employment benefit plans, for their employees. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; based on the discounted present value of the said defined benefit obligation. Any unrecognised past service costs and the fair value of any plan assets are deducted for purposes of determining the Group's net defined benefit obligation. The discount rate used in calculating the present value is the market yield at the reporting date of government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. If the calculation results in a benefit to the Group, the recognised asset is limited to the total of any unrecognised past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In calculating the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realisable during the life of the plan, or on settlement of the plan liabilities.

If the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognised in profit or loss on a straight-line basis over the average vesting period. To the extent that the benefits vest immediately, pension cost is recognised immediately in profit or loss.

All actuarial gains and losses at January 1, 2012, the date of transition to FSC endorsed IFRS, were recognized in retained earnings. All subsequent actuarial gains and losses from defined benefit plans are recognized in other comprehensive income.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. The gain or loss on curtailment arises from change in the fair value of plan assets, change in the present value of defined benefit obligation and any related actuarial gains or losses and past service cost which had not been previously recognised.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(p) Share-based payment

The grant-date fair value of share-based payment awards granted to employee is recognized as employee salary expenses, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards, the grant-date fair value of the share-based payment considers such non-vesting conditions and there is no true-up for differences between expected and actual outcomes.

The fair value of the amount payable to employees in respect of share appreciation rights, which are settled in cash, is recognized as an expense with a corresponding increase in liabilities, over the period that the employees become unconditionally entitled to payment. The liability is re-measured at each reporting date and settlement date. Any changes in the fair value of the liability are recognized as personnel expenses in profit or loss.

(q) Income taxes

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This is recognised fully in current period as an income tax expense, which is proportionately allocated between current and deferred taxes.

Tax expense recognized directly in equity or other comprehensive income is measured based on the effective tax rate at time of realization of temporary differences between the carrying amounts of assets and liabilities and their respective tax bases.

(r) Earnings per share

The Group disclose the Company’s basic and diluted earnings per share attributable to ordinary equity holders of the Company. Basic earnings per share is calculated on profit attributable to the ordinary shareholders of the Company divided by weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated on profit attributable to ordinary shareholders of the Company, divided by weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.

(s) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

The preparation of the accompanying condensed consolidated interim financial statements in accordance with IAS 34 "Interim Financial Reporting" as endorsed by FSC 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, the categorization or designation of financial assets and liabilities is dependent 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 4(g).
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 4(g).
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 4(g).

(b) Securitizations

In applying its accounting policies on securitized financial assets, the Group have evaluated both the extent of transfer 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 these 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 given in accounting policy 4(h) and note 6(c).

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 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. Each impaired asset is assessed on its merits, and the workout strategy and estimate of cash flows considered recoverable.

Collectively assessed impairment allowances cover credit losses inherent in portfolios of loans and receivables with similar credit risk characteristics when there is objective evidence to suggest that they contain impaired loans and receivables, but the individual items cannot yet be identified. The current methodology is subject to estimation uncertainty, in part because it is not practicable to identify losses on an individual loan basis because of the large number of individually insignificant loans in the portfolio. In addition, the use of statistically assessed 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. 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 the 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.

(Amounts Expressed in Thousands of New Taiwan Dollars)

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. While management believes that the assumptions are appropriate and reasonable, it is reasonably possible that outcomes in the next financial year could differ from the assumptions and estimates used in identifying impairment on the investment securities, as a result of which, evidences of impairment may be identified in investment securities which had previously determined not to be impaired. It is possible that this could result in the recognition of material impairment losses in the next financial year.

(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 6(s).

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Cash and demand deposits	$ 10,178,069	9,996,533	7,080,574	6,328,629
Time deposits	459,132	132,899	245,180	226,443
Cash equivalents	12,007	1,999	4,996	2,998
Cash and cash equivalents	10,649,208	10,131,431	7,330,750	6,558,070
Bank overdraft	(157,145)	(66,710)	(66,239)	(18,243)
Cash and cash equivalents in consolidated statement of cash flows	**$ 10,492,063**	**10,064,721**	**7,264,511**	**6,539,827**

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

(b) Financial instruments

1.Details of financial assets are as follows：

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Financial assets at fair value through profit or loss				
Held for trading				
Securities of listed companies	$ 364,578	236,246	287,020	240,841
Derivative instruments not used for hedging	1,325	-	-	-
Sub-total	365,903	236,246	287,020	240,841
Designated as at fair value through profit or loss				
2010 securitization	941,928	950,778	954,989	982,590
2011 securitization	837,780	840,780	849,012	855,701
Sub-total	1,779,708	1,791,558	1,804,001	1,838,291
	2,145,611	2,027,804	2,091,021	2,079,132
Available-for-sale financial assets				
Emerging stock	622,555	644,754	691,638	554,117
Private equity	618,738	557,875	548,242	531,641
Sub-total	1,241,293	1,202,629	1,239,880	1,085,758
Held-to-maturity financial assets				
Investment in debt securities	3,512,000	2,487,100	280,000	280,000
Total	$ 6,898,904	5,717,533	3,610,901	3,444,890

2.Sensitivity analysis－equity price risk：

If the equity price changes, and if it is based on the same basis for both years and assumes that all other variables remain the same, the impact to other comprehensive income will be as follows:

	For the three months ended March 31,			
	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%	$ 86,950	25,520	86,847	20,092
Decrease 7%	$ (86,950)	(25,520)	(86,847)	(20,092)

Based on the results of the Group's assessment, impairment loss of $2,744 was recognized on available-for-sale financial assets for the three months ended March 31, 2012.

(Amounts Expressed in Thousands of New Taiwan Dollars)

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 of 4.53% ~9.38%.

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).

3.Details of financial liabilities were as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Financial liabilities at fair value through profit or loss				
Held for trading				
Derivative instruments not used for hedging	$ -	(5,007)	(6,240)	(757)
Derivative financial liabilities used for hedging	(9,461)	(11,396)	(12,673)	(15,988)
Total	$ (9,461)	(16,403)	(18,913)	(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 March 31, 2013, and December 31, March 31, January 1, 2012, derivative financial instruments accounted for as held-for-trading financial liabilities were as follows:

Interest rate swap contract

		2013.3.31			
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)

Nominal Amount		2012.3.31 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

Nominal Amount		2012.1.1 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 March 31, 2013, and December 31, March 31, January 1, 2012, the Group held derivative instruments qualified for hedge accounting as follows:

Nominal Amount		2013.3.31 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

Nominal Amount		2012.12.31 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

Nominal Amount		2012.3.31 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	2013.3.31	2012.12.31	2012.3.31	2012.1.1	Expected Cash flow Period	Hedge Period
Unsecured corporate bonds	Interest Swap	$ (9,461)	(11,396)	(12,673)	(15,988)	2010~2016	2010~2016

	For the three months ended March 31,	
Item	2013	2012
Adjusted amount charged to equity	$ 1,935	3,315

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 March 31, 2013, and December 31, March 31, January 1, 2012, were as follows:

	Designated Hedging Instrument				
		Fair Value			
Item to be Hedged	Hedge Instrument	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Equity investment measured in USD	Foreign currency borrowings	$ 1,214,885	609,855	501,255	-

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 three months ended March 31, 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:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Repayment rate	9.54 %	9.49 %	10.14 %	9.72 %
Expected return rate on securitized financial assets	9.11 %	9.19 %	9.61 %	9.68 %
Weighted-average life (in years)	3.67	3.83	4.50	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:

	2013.3.31	2012.3.31
Carrying amount of retained interests	837,780	849,012
Weighted－average life (in years)	3.67	4.50
Repayment rate	9.54 %	10.14 %
Effect on fair value with 10% adverse change	(20,750)	(21,888)
Effect on fair value with 20% adverse change	(38,547)	(40,487)
Expected credit losses	4.58%	4.58%
Effect on fair value with 10% adverse change	(23,091)	(23,227)
Effect on fair value with 20% adverse change	(46,181)	(46,460)
Discount rate for residual cash flows	4.00 %	4.00 %
Effect on fair value with 10% adverse change	(6,145)	(5,916)
Effect on fair value with 20% adverse change	(12,230)	(11,776)

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 three months ended March 31, 2013	2012
Other cash flows received on retained interests	$ 87,804	91,754
Service fees received	1,190	1,190

Note: The securitization of debts is revolving and the expected credit loss rate (annual 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:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Repayment rate	11.26 %	10.68 %	10.37 %	10.21 %
Expected return rate on securitized financial assets	9.11 %	9.10 %	9.42 %	9.28 %
Weighted-average life (in years)	2.42	2.67	3.33	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:

	2013.3.31	2012.3.31
Carrying amount of retained interests	941,928	954,989
Weighted－average life (in years)	2.42	3.33
Repayment rate	10.26 %	10.37 %
Effect on fair value with 10% adverse change	(16,412)	(20,042)
Effect on fair value with 20% adverse change	(30,439)	(36,916)
Expected credit losses	4.58%	4.58%
Effect on fair value with 10% adverse change	(24,348)	(24,512)
Effect on fair value with 20% adverse change	(48,695)	(49,024)
Discount rate for residual cash flows	4.00 %	4.00 %
Effect on fair value with 10% adverse change	(5,773)	(6,647)
Effect on fair value with 20% adverse change	(11,503)	(13,235)

(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 three months ended March 31, 2013	2012
Other cash flows received on retained interests	$ 87,467	94,215
Service fees received	1,255	1,255

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

(d) Accounts receivable, net

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Current				
Accounts receivable	$ 5,727,173	5,334,099	4,932,792	4,926,958
Less: Allowance for impairment	(292,090)	(255,260)	(238,042)	(216,261)
	5,435,083	5,078,839	4,694,750	4,710,697
Installment sales receivable	47,245,047	43,791,147	37,928,404	35,508,378
Less: Unearned interests	(4,836,618)	(4,529,770)	(4,010,275)	(3,759,763)
Allowance for impairment	(1,594,021)	(1,403,391)	(1,193,570)	(1,163,288)
	40,814,408	37,857,986	32,724,559	30,585,327
Leases receivable	59,866,079	59,881,642	45,827,944	48,477,931
Less: Unearned revenue	(7,288,111)	(7,565,516)	(5,852,903)	(6,529,206)
Allowance for impairment	(1,718,589)	(1,831,764)	(1,198,547)	(1,055,102)
	50,859,379	50,484,362	38,776,494	40,893,623
Loans receivable	19,777,545	18,304,227	13,781,380	14,435,949
Less: Allowance for impairment	(807,996)	(755,206)	(745,301)	(786,489)
	18,969,549	17,549,021	13,036,079	13,649,460
Sub-total of current amounts	116,078,419	110,970,208	89,231,882	89,839,107

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Non-Current				
Accounts receivable	1,403,985	699,831	502,755	471,310
Less: Allowance for impairment	(32,864)	(31,117)	(29,201)	(28,234)
	1,371,121	668,714	473,554	443,076
Installment sales receivable	21,203,829	19,019,127	15,501,457	14,411,516
Less: Unearned Interests	(2,034,610)	(1,788,264)	(1,435,555)	(1,325,569)
Allowance for impairment	(193,384)	(179,331)	(137,586)	(127,054)
	18,975,835	17,051,532	13,928,316	12,958,893
Leases receivable	2,670,252	2,391,575	2,629,361	2,051,881
Less: Unearned revenue	(220,961)	(206,854)	(282,984)	(187,779)
Allowance for impairment	(54,259)	(46,766)	(33,542)	(28,902)
	2,395,032	2,137,955	2,312,835	1,835,200
Loans receivable	2,319,894	2,047,645	1,978,209	2,165,199
Less: Allowance for impairment	(125,165)	(163,423)	(219,572)	(241,415)
	2,194,729	1,884,222	1,758,637	1,923,784
Sub-total of non-current amounts	24,936,717	21,742,423	18,473,342	17,160,953
Total accounts receivable	**$ 141,015,136**	**132,712,631**	**107,705,224**	**107,000,060**

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

	For the three months ended March 31, 2013	2012
Opening balance	$ 4,666,258	3,646,745
Impairment loss recognised	505,811	312,269
Amounts written off	(464,070)	(117,158)
Foreign exchange gains (losses)	110,369	(46,495)
Ending balance	**$ 4,818,368**	**3,795,361**

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
March 31, 2013			
Within operating cycle	$ 59,696,039	(7,288,111)	52,407,928
Operating cycle to 5 years	2,611,729	(216,467)	2,395,262
After 5 years	58,523	(4,494)	54,029
	$ 62,366,291	**(7,509,072)**	**54,857,219**
December 31, 2012			
Within operating cycle	$ 59,706,403	(7,565,516)	52,140,887
Operating cycle to 5 years	2,391,575	(206,854)	2,184,721
	$ 62,097,978	**(7,772,370)**	**54,325,608**
March 31, 2012			
Within operating cycle	$ 45,125,194	(5,852,903)	39,272,291
Operating cycle to 5 years	2,629,361	(282,984)	2,346,377
	$ 47,754,555	**(6,135,887)**	**41,618,668**
January 1, 2012			
Within operating cycle	$ 47,978,316	(6,529,206)	41,449,110
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:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Within operating cycle	$ 1,825,005	1,566,557	2,208,027	3,571,986
Operating cycle to 5 years	1,302,611	1,023,480	1,102,852	309,473
	$ 3,127,616	**2,590,037**	**3,310,879**	**3,881,459**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(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.

1.Construction in progress

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Tianmu area	$ 817,646	771,503	649,372	616,069
Allowance for valuation losses	-	-	-	-
Tianmu area	**$ 817,646**	**771,503**	**649,372**	**616,069**

2.Advance real estate receipts

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Tianmu area	**$ 302,039**	**302,039**	**178,799**	**173,091**

3.The details of construction in progress-capitalized interest

	For the three months ended March 31,	
	2013	2012
Interest expense before capitalization	$ 1,004,091	987,238
Capitalized interest	1,722	1,988
Capitalized interest rate	1.51 %	1.86 %

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) Foreclosed assets

As of March 31, 2013, and December 31, March 31, January 1, 2012, foreclosed assets held by the Group, which were accounted for as other current assets, were as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Foreclosed assets	$ 217,623	127,097	207,758	385,396
Less: Accmulated impairment	(27,156)	(25,280)	(30,268)	(66,951)
	$ 190,467	**101,817**	**177,490**	**318,445**

For the three months ended March 31, 2013 and 2012, the Group recognised an impairment loss of $1,876 and $883, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and recognized a disposal gain thereon of $106,268 for the three months ended

March 31, 2012.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(g) Investments accounted under equity method

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Investments in associates	$ 7,264	7,062	1,272	1,243

For the three months ended March 31, 2013 and 2012, the Group's share in the profit of associates was as follows:

	For the three months ended March 31,	
	2013	2012
The Group's share in profit of associates	$ 45	29

The related financial information of associates were as follows (before adjustments to the Group's proportionate share):

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Total assets	$ 15,030	13,613	15,335	13,604
Total liabilities	$ 10,484	9,224	10,882	9,254

	For the three months ended March 31,	
	2013	2012
Income	$ 34,660	40,347
Net income for the period	$ 157	103

As of December 31, 2012, Chailease International (B.V.I) Corp. prepaid the investment of US$200 thousand (approximately $5,965) to CLJ Capital Management Company Limited, which was accounted for as an investment under equity method.

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).

(Amounts Expressed in Thousands of New Taiwan Dollars)

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group as of and for the three months ended March 31, 2013 and 2012, were as follows:

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Cost:					
Balance at January 1, 2013	$ 1,442,907	4,350,680	6,925,300	99,431	12,818,318
Additions	-	571,979	42,984	1,558	616,521
Disposals	-	(227,721)	(1,155,406)	-	(1,383,127)
Effect of movements in exchange rate	2,629	21,051	212,386	125	236,191
Balance at March 31, 2013	**$ 1,445,536**	**4,715,989**	**6,025,264**	**101,114**	**12,287,903**
Balance at January 1, 2012	$ 1,379,711	3,421,796	11,833,126	84,818	16,719,451
Additions	-	363,935	42,906	80,737	487,578
Reclassification	-	-	-	26,058	26,058
Disposals	-	(254,696)	(377,622)	(39)	(632,357)
Effect of movements in exchange rate	(14)	(10,666)	(291,578)	(98)	(302,356)
Balance at March 31, 2012	**$ 1,379,697**	**3,520,369**	**11,206,832**	**191,476**	**16,298,374**
Depreciation and impairment losses:					
Balance at January 1, 2013	$ 385,366	1,180,325	4,675,224	72,708	6,313,623
Depreciation for the period	4,058	193,207	190,461	2,020	389,746
Impairment loss	-	72,142	59,751	-	131,893
Disposals	-	(128,931)	(869,489)	-	(998,420)
Effect of movements in exchange rate	462	6,343	146,739	104	153,648
Balance at March 31, 2013	**$ 389,886**	**1,323,086**	**4,202,686**	**74,832**	**5,990,490**
Balance at January 1, 2012	$ 370,304	1,013,140	6,546,993	65,404	7,995,841
Depreciation for the period	3,253	240,333	225,889	5,881	475,356
Impairment loss	-	28,800	189,511	-	218,311
Reclassification	-	-	-	26,058	26,058
Disposals	-	(233,547)	(160,690)	(39)	(394,276)
Effect of movements in exchange rate	(8)	(2,207)	(159,938)	(84)	(162,237)
Balance at March 31, 2012	**$ 373,549**	**1,046,519**	**6,641,765**	**97,220**	**8,159,053**
Carrying amounts:					
Balance at January 1, 2013	**$ 1,057,541**	**3,170,355**	**2,250,076**	**26,723**	**6,504,695**
Balance at March 31, 2013	**$ 1,055,650**	**3,392,903**	**1,822,578**	**26,282**	**6,297,413**
Balance at January 1, 2012	**$ 1,009,407**	**2,408,656**	**5,286,133**	**19,414**	**8,723,610**
Balance at March 31, 2012	**$ 1,006,148**	**2,473,850**	**4,565,067**	**94,256**	**8,139,321**

(Amounts Expressed in Thousands of New Taiwan Dollars)

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	-	566,944	28,324	595,268
Disposals	-	(223,081)	(1,154,965)	(1,378,046)
Effect of movements in exchange rate	-	16,794	198,968	215,762
Balance at March 31, 2013	**$ 1,061,719**	**4,610,366**	**5,425,720**	**11,097,805**
Balance at January 1, 2012	$ 1,061,719	3,326,418	11,329,738	15,717,875
Additions	-	363,137	16,804	379,941
Disposals	-	(248,443)	(377,477)	(625,920)
Effect of movements in exchange rate	-	(10,356)	(287,964)	(298,320)
Balance at March 31, 2012	**$ 1,061,719**	**3,430,756**	**10,681,101**	**15,173,576**
Depreciation and impairment losses:				
Balance at January 1, 2013	$ 326,431	1,116,325	4,255,443	5,698,199
Depreciation for the period	2,414	189,859	174,061	366,334
Impairment loss	-	72,142	59,751	131,893
Disposals	-	(124,593)	(869,404)	(993,997)
Effect of movements in exchange rate	-	3,940	137,242	141,182
Balance at March 31, 2013	**$ 328,845**	**1,257,673**	**3,757,093**	**5,343,611**
Balance at January 1, 2012	$ 316,776	953,502	6,173,166	7,443,444
Depreciation for the period	2,414	237,541	212,372	452,327
Impairment loss	-	28,800	189,511	218,311
Disposals	-	(227,294)	(160,553)	(387,847)
Effect of movements in exchange rate	-	(2,076)	(157,662)	(159,738)
Balance at March 31, 2012	**$ 319,190**	**990,473**	**6,256,834**	**7,566,497**
Carrying amounts:				
Balance at January 1, 2013	**$ 735,288**	**3,133,384**	**2,097,950**	**5,966,622**
Balance at March 31, 2013	**$ 732,874**	**3,352,693**	**1,668,627**	**5,754,194**
Balance at January 1, 2012	**$ 744,943**	**2,372,916**	**5,156,572**	**8,274,431**
Balance at March 31, 2012	**$ 742,529**	**2,440,283**	**4,424,267**	**7,607,079**

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

The costs of intangible assets, amortisation, and the impairment loss of the Group as of and for the three months ended March 31, 2013 and 2012, were as follows:

	Goodwill	Software	Total
Cost:			
Balance at January 1, 2013	$ 3,728	33,370	37,098
Additions	-	2,032	2,032
Effect of movements in exchange rate	-	2,241	2,241
Balance at March 31, 2013	**$ 3,728**	**37,643**	**41,371**
Balance at January 1, 2012	$ 3,728	31,652	35,380
Additions	-	162	162
Effect of movements in exchange rate	-	(46)	(46)
Balance at March 31, 2012	**$ 3,728**	**31,768**	**35,496**
Amortization and impairment losses:			
Balance at January 1, 2013	$ -	14,011	14,011
Amortization for the period	-	933	933
Effect of movements in exchange rate	-	925	925
Balance at March 31, 2013	**$ -**	**15,869**	**15,869**
Balance at January 1, 2012	$ -	10,711	10,711
Amortization for the period	-	847	847
Effect of movements in exchange rate	-	(14)	(14)
Balance at March 31, 2012	**$ -**	**11,544**	**11,544**
Carrying amounts:			
Balance at January 1, 2013	**$ 3,728**	**19,359**	**23,087**
Balance at March 31, 2013	**$ 3,728**	**21,774**	**25,502**
Balance at January 1, 2012	**$ 3,728**	**20,941**	**24,669**
Balance at March 31, 2012	**$ 3,728**	**20,224**	**23,952**

For the three months ended March 31, 2013 and 2012, the amortisation of intangible assets amounted to $933 and $847, respectively. This amortization was accounted for as operating expense of the statement of comprehensive income.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(j) Long-term and short-term borrowings

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

	2013.3.31			
	Currency	**Interest Rate**	**Period**	**Amount**
Secured bank loans	TWD	1.26%~1.915%	2013~2014	$ 1,133,787
〃	USD	0.62%~3.304%	2013~2030	2,028,108
〃	THB	3.42%~4.80%	2013~2015	6,009,119
〃	CNY	6.60%~8.51%	2013~2016	4,142,997
〃	VND	7.12%	2013~2015	772,922
Unsecured bank loans	TWD	1.11%~3.25%	2013~2016	46,885,220
〃	USD	1.1971%~3.41%	2013~2015	10,829,708
〃	EUR	1.42%	2013	22,938
〃	THB	3.5%~7.38%	2013~2015	4,566,891
〃	JPY	1.2%~1.3637%	2013~2016	181,521
〃	CNY	7.74%~8.51%	2013~2016	28,513,769
Other unsecured loans	THB	3.05%~3.65%	2013	8,161,682
Total				**$ 113,248,662**
Current				$ 100,322,106
Non-current				12,926,556
Total				**$ 113,248,662**

(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**

	2012.3.31			
	Currency	**Interest Rate**	**Period**	**Amount**
Secured loan	TWD	1.99%~3.25%	2012~2014	$ 1,103,809
〃	USD	0.6155%~4.50%	2012~2030	2,449,357
〃	THB	3.67%~6.00%	2012~2013	7,214,368
〃	CNY	6.98%~8.57%	2012~2015	6,720,420
〃	VND	13.76%~18.50%	2012~2014	512,268
Unsecured loan	TWD	1.388%~2.41%	2012~2015	35,615,325
〃	USD	1.447%~4.50%	2012~2014	8,692,611
〃	THB	3.65%~7.38%	2012~2013	3,580,854
〃	JPY	1.24%~1.41%	2012~2015	246,968
〃	CNY	5.40%~8.57%	2012~2014	25,520,901
Other unsecured loans	THB	3.30%~4.00%	2012	4,614,587
Total				**$ 96,271,468**
Current				$ 81,461,205
Non-current				14,810,263
Total				**$ 96,271,468**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.1.1			
	Currency	Interest Rate	Period	Amount
Secured loan	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 loan	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, see note (6)(s). For information on the debts of related parties, see 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

(Amounts Expressed in Thousands of New Taiwan Dollars)

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.

As of March 31, 2013, and December 31, March 31, January 1, 2012, the subsidiaries concerned were in compliance with the financial covenants mentioned above.

3.Settlement of long-term debts

	2013.3.31		2012.12.31		2012.3.31		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.

(Amounts Expressed in Thousands of New Taiwan Dollars)

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.

(k) Bonds payable

				2013.3.31		
Period	Interest Rate	Principal Amount	Repayment Terms	Within Operating Cycle	Beyond Operating Cycle	Collateral
2010.11.17~ 2015.11.17	2.081%~ 2.094%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	$ -	400,000	None
2011.01.19~ 2016.01.19	1.891%~ 1.894%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.991%~ 1.994%	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.	511,850	-	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	〃	204,740	-	〃
2012.11.09~ 2014.11.10	4.550%	THB 1,000,000	〃	-	1,023,700	〃
2013.02.22~ 2015.08.21	4.550%	THB 350,000	〃	-	358,295	〃
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	3,604,500	〃
				$ 4,716,590	7,486,495	

(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	〃
				$ 4,667,450	6,948,536	

				2012.3.31		
Period	Interest Rate	Principal Amount	Repayment Terms	Within Operating Cycle	Beyond Operating Cycle	Collateral
2010.11.17~ 2015.11.17	2.059%~ 2.061%	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%~ 1.861%	50,000	〃	-	50,000	〃
2011.01.19~ 2016.01.19	1.955%~ 1.961%	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	〃	-	481,600	〃
2010.09.23~ 2013.09.23	4.600%	THB 200,000	〃	-	192,640	〃
				$ -	5,174,240	

(Amounts Expressed in Thousands of New Taiwan Dollars)

Period	Interest Rate	Principal Amount	Repayment Terms	2012.1.1 Within Operating Cycle	2012.1.1 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	〃
				$ -	5,175,290	

(l) Operating Leases

1.Leases entered into as lessee

Non-cancellable operating lease rentals payable were as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Within 1 year	$ 293,124	146,822	232,119	143,987
1 to 5 years	168,900	112,010	275,577	234,590
After 5 years	-	-	-	-
	$ 462,024	258,832	507,696	378,577

(m) Employee benefits

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 according to paragraph B9 of IAS 34 「Interim Financial Reporting.」

(Amounts Expressed in Thousands of New Taiwan Dollars)

1.Defined benefit plans

The present value of the defined benefit obligations and fair value of plan assets were as follows:

		2012.12.31	2012.1.1
Total present value of obligations	$	1,409,178	1,261,848
Fair value of plan assets		(582,399)	(559,075)
(Surplus) deficit in the plan		826,779	702,773
Unamortised actuarial gains and losses		-	-
Recognised liabilities for defined benefit obligations	$	**826,779**	**702,773**

Under the defined benefit plans, the Group contribute an amount to the pension fund account to Bank of Taiwan that provide pension benefits for employees upon retirement. Plans (covered by the Labour Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for last six months prior to retirement.

1) Composition of plan assets

The Group set aside pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund and such funds are managed by the Labour Pension Fund Supervisory Committee. With regard to the utilization of the funds, the pension funds generate minimum earnings of not less than the interest earnings that can be derived from two-year time deposits at interest rates normally offered by local banks.

The balance of the Group’s labor pension reserve account with the Bank of Taiwan amounted to $566,514 at the end of reporting period. The utilisation of the labour pension fund assets include the asset allocation and yield of the fund. Please refer to the information published on the website by the Council of Labour Affairs and Labour Pension Supervisory Committee.

2) Expenses recognized in profit or loss

The Group’s pension costs recognized in profit or loss for the three months ended March 31, 2013 and 2012, were as follows:

		For the three months ended March 31,	
		2013	2012
Operating costs	$	435	432
Operating expenses		25,299	17,338

(Amounts Expressed in Thousands of New Taiwan Dollars)

3) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2012
Discount rate at December, 31	1.75%~3.70%
Expected return on plan assets at January, 1	1.75%
Future salary increases	3.00%~6.00%

The Group are expecting $36,448 worth of contributions shall be paid for its benefit plans within a year after the reporting date of March 31, 2013.

4) Experience adjustments based on historical information

	2012.12.31	**2012.1.1**
Present value of the defined benefit obligation	$ 1,409,178	1,261,848
Fair value of plan assets	(582,399)	(559,075)
(Surplus) deficit in the plan	**$ 826,779**	**702,773**
Experience adjustments arising on defined benefit plan	**$ (89,069)**	**-**
Experience adjustments arising on plan assets	**$ (6,202)**	**-**

5) In calculating the present value of the defined pension obligations, the Group made some estimates of the principal actuarial assumptions at the reporting date, including the employee turnover rate, future increase in wages, etc. Any change in the actuarial assumptions may have significant influence on the amount of the Group's defined pension plan obligations.

2.Defined contribution plans

In accordance with the provisions of the Labour Pension Act, the Group contribute an amount equal to 6% of the employee's monthly wages to the Labour Pension personal account with the Bureau of the Labour Insurance.

The fixed amount deposited to the Bureau of the Labour Insurance no longer requires the Group to make further payment of additional legal or constructive obligations.

The pension costs incurred from the contributions to the to the Bureau of the Labour Insurance amounted to $13,548 and $15,957 for the three months ended March 31, 2013 and 2012, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(n) Income taxes

Income tax expense in the accompanying interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting".

1.The components of income tax expense for the first quarter of 2013 and 2012 were as follows:

	For the three months ended March 31,	
	2013	2012
Current tax expense	$ 235,763	287,667
Deferred tax expense	333,880	73,647
Total income tax expense	**$ 569,643**	**361,314**

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 subsidiaries, Fina Finance & Trading Co., Ltd. and Apex Credit Solutions Inc., have been assessed by the Tax Authority through 2011. The income tax returns of the subsidiaries, China Leasing Co., Ltd., Chailease Auto Rental Co., Ltd., and Chailease Credit Services Co., Ltd., have been assessed by the Tax Authority through 2010.

(o) Share capital and other equity accounts

1.Share capital

As of March 31, 2013, and December 31, March 31, January 1, 2012, the Company's authorized capital consisted of 1,500,000 thousand shares and issued shares amounted to $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 March 31, 2013 and December 31, 2012, the Company has listed, in total, 5,979,630 and 6,223,200 units of GDRs on the Euro MTF market of the Luxembourg Stock Exchange, respectively. 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.

(Amounts Expressed in Thousands of New Taiwan Dollars)

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:

	2013.3.31	2012.12.31	2012.3.31	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	33,381	70,898
	$ 9,411,771	9,411,771	4,656,903	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 Company's Articles of Incorporation, 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.

(Amounts Expressed in Thousands of New Taiwan Dollars)

2) Earnings distribution

For the first quarter of 2013 and 2012, the Company accrued employee benefits of $85 and $80, and the board of directors' remuneration of $677 and $0, 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 expenses in 2012 and 2011. There was no difference between the actual distributions of the 2011 earnings in 2012 and those estimated and accrued in the 2011 financial statements. Amounts to be distributed for employee benefits and the board of directors' remuneration for 2012 are yet to be administered by the board of directors or decided by the meeting of shareholders. Related information would be available at the Market Observation Post System after the convening of the meeting of shareholders. For subsequent adjustments to the actual distributed amount as determined by future meeting of shareholders, According to management, the difference, if any, between the said amounts accrued in the 2012 financial statements and the actual appropriations thereof from the 2012 earnings, shall be accounted for under profit or loss in 2013.

During their meeting on May 10, 2012, the shareholders approved to distribute the 2011 earnings as follows:

	2011	
	Dividend per share ($)	**Amount**
Dividends distributed to common shareholders		
Cash	$ 2.30	$ 1,806,191

(Amounts Expressed in Thousands of New Taiwan Dollars)

4.Other equity

	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	639,571	-	-	-	-
Effective portion of cash flow hedges, net of tax:					
The Group	-	-	1,935	-	-
Unrealized gains (losses) on available-for-sale financial assets:					
The Group	-	36,698	-	-	-
Effective portion of hedge of net investment in foreign operations, net of tax:					
The Group	-	-	-	(76,718)	-
Others, net of tax：					
The Group	-	-	-	-	(49,927)
At March 31, 2013	$ 501,049	(197,401)	(9,461)	(47,023)	25,546
At January 1, 2012	$ 199,047	(360,228)	(15,988)	-	-
Exchange differences, net of tax:					
The Group	(270,004)	-	-	-	-
Effective portion of cash flow hedges, net of tax:					
The Group	-	-	3,315	-	-
Unrealized gains (losses) on available-for-sale financial assets:					
The Group	-	159,734	-	-	-
Effective portion of hedge of net investment in foreign operations, net of tax:					
The Group	-	-	-	14,500	-
Others, net of tax：					
The Group	-	-	-	-	46,897
At March 31, 2012	$ (70,957)	(200,494)	(12,673)	14,500	46,897

(p) Earnings per share

For the three months ended March 31, 2013 and 2012, the basic earnings per share were calculated as follows:

	For the three months ended March 31, 2013	2012
Profit attributable to ordinary shareholders of the Company	$ 1,386,267	735,533
Weighted average number of ordinary shares	905,300	785,300
Weighted average number of ordinary shares (diluted)	905,302	785,302

Note: Potential ordinary shares have no dilutive effects.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(q) Net other income and expenses

The details of net other income and expenses for the three months ended March 31, 2013 and 2012, were as follows:

	For the three months ended March 31,	
	2013	2012
Gains on disposal of foreclosed assets	$ -	106,268
Consulting fees	-	55
Impairment loss of foreclosed assets	(1,876)	(883)
Gains on doubtful debt recoveries	35,559	30,928
	$ 33,683	**136,368**

(r) Other gains and losses

The details of other gains and losses for the three months ended March 31, 2013 and 2012, were as follows:

	For the three months ended March 31,	
	2013	2012
Foreign exchange gains	$ 13,641	9,125
Net gain on disposal of properly plant, and equipment	1,164	2,196
Net gains (losses) on disposal of financial assets (liabilities) measured at fair value through profit or loss	14,353	(14,482)
Impairment losses on available-for-sale financial assets	-	(2,744)
Others	91,092	27,770
	$ 120,250	**21,865**

(s) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group. As of March 31, 2013, and December 31, March 31, and January 1, 2012, the maximum exposure to credit risks amounted to $173,295,998, $161,727,259, $129,268,164 and $126,899,039, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

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

	Taiwan	Thailand	China	Others	Total
March 31, 2013					
Gross loans and receivables：					
Neither past due nor impaired	$ 64,984,497	23,457,849	47,248,614	3,160,186	138,851,146
Past due	119,456	-	-	280,733	400,189
Impaired	2,125,134	1,464,718	2,396,663	595,654	6,582,169
	$ 67,229,087	**24,922,567**	**49,645,277**	**4,036,573**	**145,833,504**
Allowance for impairment					
Individually assessed	$ 986,958	272,685	598,996	302,722	2,161,361
Collectively assessed	1,053,862	190,846	994,223	418,076	2,657,007
	$ 2,040,820	**463,531**	**1,593,219**	**720,798**	**4,818,368**
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	1,851,518	1,304,072	1,856,094	610,496	5,622,180
	$ 62,122,205	**21,941,655**	**49,195,709**	**4,119,320**	**137,378,889**
Allowance for impairment					
Individually assessed	$ 843,639	240,412	498,508	280,578	1,863,137
Collectively assessed	987,806	163,380	1,197,475	454,460	2,803,121
	$ 1,831,445	**403,792**	**1,695,983**	**735,038**	**4,666,258**
March 31, 2012					
Gross loans and receivables：					
Neither past due nor impaired	$ 50,349,954	17,306,171	35,090,393	3,386,330	106,132,848
Past due	106,494	-	-	613,611	720,105
Impaired	1,650,388	1,139,976	1,236,870	620,398	4,647,632
	$ 52,106,836	**18,446,147**	**36,327,263**	**4,620,339**	**111,500,585**
Allowance for impairment					
Individually assessed	$ 863,141	235,339	391,433	269,620	1,759,533
Collectively assessed	698,157	149,863	624,624	563,184	2,035,828
	$ 1,561,298	**385,202**	**1,016,057**	**832,804**	**3,795,361**

(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	1,963,395	1,386,682	882,632	700,638	4,933,347
	$ 50,849,559	**17,260,515**	**37,768,346**	**4,768,385**	**110,646,805**
Allowance for impairment					
Individually assessed	$ 845,864	225,755	338,685	305,167	1,715,471
Collectively assessed	693,852	136,824	527,080	573,518	1,931,274
	$ 1,539,716	**362,579**	**865,765**	**878,685**	**3,646,745**

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

Loans and receivables where contractual interest or principal payments are past due but the Group believe 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:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Past due up to 30 days	$ 341,926	362,953	128,971	124,212
Past due 31 – 90 days	58,263	158,329	200,333	477,310
Past due 91 – 180 days	-	98,921	222,792	86,166
Past due more than 180 days	-	-	168,009	88,761
	$ 400,189	**620,203**	**720,105**	**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
March 31, 2013								
Non-derivative financial liabilities								
Bank overdraft	$ 157,145	157,145	-	-	-	-	-	157,145
Secured bank loans	14,086,933	14,513,027	2,110,707	4,643,005	3,947,887	3,117,106	694,322	-
Unsecured bank loans	90,842,902	92,710,263	21,889,183	11,433,379	24,761,830	34,625,871	-	-
Other unsecured loans	8,161,682	8,226,556	1,606,288	3,516,410	3,103,858	-	-	-
Bonds payables	12,203,085	12,638,466	-	582,679	316,681	11,739,106	-	-
Other payables	3,438,985	3,442,913	858,416	234,935	848,895	241,702	-	1,258,965
Deposits relating to collateral of customers	17,046,146	17,065,380	286,184	258,440	3,330,293	12,732,070	-	458,393
Derivative financial liabilities								
Interest rate swap contracts not used for hedging	(1,325)	(1,325)	-	-	(663)	(662)	-	-
	$ 145,935,553	**148,752,425**	**26,750,778**	**20,668,848**	**36,308,781**	**62,455,193**	**694,322**	**1,874,503**
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	11,615,986	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								
Interest rate swap contracts not used for hedging	5,007	5,007	80	-	2,464	2,463	-	-
	$ 139,108,062	**140,377,606**	**75,421,570**	**15,862,128**	**14,636,272**	**32,879,580**	**713,068**	**864,988**

(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
March 31, 2012								
Bank overdraft	$ 66,239	66,239	-	-	-	-	-	66,239
Secured bank loans	18,000,222	18,517,051	7,818,902	1,899,391	1,544,940	6,345,807	908,011	-
Unsecured bank loans	73,590,420	74,117,522	46,617,770	7,494,603	6,835,810	13,169,339	-	-
Other unsecured loans	4,614,587	4,644,170	1,592,271	1,990,453	1,061,446	-	-	-
Bonds payables	5,174,240	5,431,286	-	25,444	86,321	5,319,521	-	-
Other payables	3,049,174	3,055,834	2,165,926	104,488	212,776	623	-	572,021
Deposits relating to collateral of customers	12,840,196	12,859,476	9,256,934	182,964	910,969	2,143,134	-	365,475
Derivative financial liabilities								
Interest rate swap contracts not used for hedging	6,240	6,240	355	-	2,943	2,942	-	-
	$ 117,341,318	**118,697,818**	**67,452,158**	**11,697,343**	**10,655,205**	**26,981,366**	**908,011**	**1,003,735**
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	5,175,290	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								
Interest rate swap contracts not used for hedging	757	757	-	-	379	378	-	-
	$ 116,774,498	**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:

	2013.3.31			
	Foreign currency (In thousand)	**Exchange rate**		**Functional currency**
Financial assets				
Monetary items				
USD	$ 3,326.10	USD：TWD	29.8250	99,201
	31,021.95	USD：CNY	6.2057	925,230
	5,667.66	USD：VND	21,691	169,038
CNY	784,478.53	CNY：USD	0.1611	3,770,204
Financial Liabilities				
Monetary items				
USD	102,818.39	USD：TWD	29.8250	3,066,558
	5,064.58	USD：VND	21,691	151,051
CNY	750,000.00	CNY：USD	0.1611	3,604,500

	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
CNY	755,659.94	CNY：USD	0.1605	3,521,375
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)

	2012.3.31			
	Foreign currency (In thousand)	Exchange rate		Functional currency
Financial assets				
Monetary items				
USD	$ 3,465.52	USD：TWD	29.5100	102,268
	44,544.34	USD：CNY	6.2995	1,314,503
	2,123.57	USD：VND	21,540	62,667
CNY	3,797.29	CNY：USD	0.1587	17,788
Financial Liabilities				
Monetary items				
USD	113,804.15	USD：TWD	29.5100	3,358,360
	6,580.83	USD：VND	21,540	194,200

	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 as of March 31, 2013 and 2012, would have decreased or increased the net profit after tax by $58,490 and $61,450, respectively.

(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 on March 31, 2013				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 year**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	1.47 %	$ 10,649,208	10,012,343	480,242	-	-	156,623
Debt securities	6.57 %	5,291,708	1,779,708	-	3,512,000	-	-
Total accounts receivables	9.52 %	145,833,504	18,914,537	68,840,237	54,598,730	223,043	3,256,957
		161,774,420	30,706,588	69,320,479	58,110,730	223,043	3,413,580
Financial liabilities							
Secured bank loans	4.68 %	14,086,933	7,237,971	5,555,652	1,293,310	-	-
Unsecured bank loans	3.70 %	90,842,902	69,153,413	19,158,781	2,530,708	-	-
Bonds payables	2.83 %	12,203,085	6,500,000	716,590	4,986,495	-	-
Bank overdraft	7.38 %	157,145	157,145	-	-	-	-
Other unsecured loans	3.44 %	8,161,682	-	8,161,682	-	-	-
Deposits relating to collateral of customers	0.57 %	17,046,146	-	1,555,636	2,845,044	-	12,645,466
Interest rate swap contracts	0.04 %	8,136	8,136	-	-	-	-
		142,506,029	83,056,665	35,148,341	11,655,557	-	12,645,466
Net exposure		**$ 19,268,391**	**(52,350,077)**	**34,172,138**	**46,455,173**	**223,043**	**(9,231,886)**

Ending balance of December 31, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 year**	**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 %	11,615,986	6,500,000	667,450	4,448,536	-	-
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	-	-	-	-
		134,072,045	48,222,747	62,269,013	11,598,369	-	11,981,916
Net exposure		**$ 17,716,933**	**(18,985,521)**	**5,167,228**	**41,566,734**	**198,687**	**(10,230,195)**

(Amounts Expressed in Thousands of New Taiwan Dollars)

Ending balance of March 31, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 year**	**More than 5 years**	**Non-interest bearing**
Cash and cash equivalents	0.76 %	$ 7,330,750	6,606,314	307,102	-	-	417,334
Debt securities	7.41 %	2,084,001	1,804,001	-	280,000	-	-
Total accounts receivables	9.28 %	111,500,585	16,208,110	53,800,179	40,146,075	128,837	1,217,384
		120,915,336	24,618,425	54,107,281	40,426,075	128,837	1,634,718
Financial liabilities							
Secured bank loans	6.04 %	18,000,222	6,014,161	2,072,084	9,913,977	-	-
Unsecured bank loans	4.12 %	73,590,420	32,135,373	16,017,567	25,437,480	-	-
Bonds payables	2.13 %	5,174,240	4,500,000	-	674,240	-	-
Bank overdraft	7.38 %	66,239	66,239	-	-	-	-
Other unsecured loans	3.75 %	4,614,587	-	4,614,587	-	-	-
Deposits relating to collateral of customers	0.66 %	12,840,196	-	1,306,451	2,257,921	-	9,275,824
Interest rate swap contracts	2.09 %	18,913	18,913	-	-	-	-
		114,304,817	42,734,686	24,010,689	38,283,618	-	9,275,824
Net exposure		**$ 6,610,519**	**(18,116,261)**	**30,096,592**	**2,142,457**	**128,837**	**(7,641,106)**

Ending balance of January 1, 2012				Fixed rate maturing			
Financial assets	**Effective interest rate**	**Total**	**Floating rate**	**Within 1 year**	**1~5 year**	**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 %	5,175,290	4,500,000	-	675,290	-	-
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	-	-	-	-
		112,246,961	72,465,348	19,264,462	11,035,783	-	9,481,368
Net exposure		**$ 7,136,205**	**(46,572,262)**	**33,204,830**	**29,020,258**	**509,175**	**(9,025,796)**

The Group's sensitivity analysis in interest rates is based on the risk exposure to interest rates on the derivative and non-derivative financial instruments on the reporting date. For variable rate instruments, the sensitivity analysis assumes the variable rate liabilities are outstanding for the whole year on the reporting date. The Group's accounting and financial department reported the increases or decreases in interest rates and the change in interest rate of 25 basis points has been determined as management's benchmark in assessing the reasonableness of the changes in the interest rates.

(Amounts Expressed in Thousands of New Taiwan Dollars)

If the interest rate increases or decreases by 0.25%, the Group's profit will decrease or increase by $118,211 and $94,878 for the three months ended March 31, 2013 and 2012, respectively. This analysis assumes that all other variables remain constant.

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:

	2013.3.31		2012.12.31		2012.3.31		2012.1.1	
	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets:								
Accounts receivable	$ 141,015,136	140,982,625	132,712,631	132,254,910	107,705,224	107,609,619	107,000,060	106,335,945
Financial liabilities:								
Bonds Payable	12,203,085	12,200,818	11,615,986	11,615,987	5,174,240	5,163,940	5,175,290	5,161,857
Deposits relating to collateral of customers	17,046,146	17,046,146	16,118,194	16,118,178	12,840,196	12,839,994	12,514,093	12,518,900
Secured loans	14,086,933	14,086,933	15,654,865	15,654,865	18,000,222	17,979,147	18,863,795	18,824,105
Unsecured loans	99,161,729	99,172,742	90,666,597	90,677,363	78,271,246	78,243,641	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:

	For the three months ended March 31,	
	2013	2012
Debt securities	6.57 %	7.41 %
Accounts receivable	9.52 %	9.28 %
Long-term debts and short-term debts	3.96 %	4.69 %
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
March 31, 2013				
Current financial assets at fair value through profit or loss	$ 364,578	1,325	-	365,903
Non-current financial assets at fair value through profit or loss	-	-	1,779,708	1,779,708
Non-current available-for-sale financial assets	-	730,474	510,819	1,241,293
	364,578	731,799	2,290,527	3,386,904
Current derivative financial liabilities used for hedging	-	(9,461)	-	(9,461)
	$ 364,578	722,338	2,290,527	3,377,443
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
March 31, 2012				
Current financial assets at fair value through profit or loss	$ 287,020	-	-	287,020
Non-current financial assets at fair value through profit or loss	-	-	1,804,001	1,804,001
Non-current available-for-sale financial assets	-	732,108	507,772	1,239,880
	287,020	732,108	2,311,773	3,330,901
Current financial liabilities at fair value through profit or loss	-	(6,240)	-	(6,240)
Current derivative financial liabilities used for hedging	-	(12,673)	-	(12,673)
	-	(18,913)	-	(18,913)
	$ 287,020	713,195	2,311,773	3,311,988

(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 in the first quarter of 2013 and 2012.

The following table shows the movements in fair value measurements under Level 3 of the fair value hierarchy:

	At fair value through profit or loss	Available-for-sale financial assets	
	Designated at initial recognition	**Unquoted equity instruments**	**Total**
Opening balance, January 1, 2013	$ 1,791,558	505,939	2,297,497
Total gains and losses recognised in	-	-	-
In profit or loss	(11,850)	2,723	(9,127)
In other comprehensive income	-	2,157	2,157
Ending balance March 31, 2013	**$ 1,779,708**	**510,819**	**2,290,527**
Opening balance, January 1, 2012	$ 1,838,291	504,761	2,343,052
Total gains and losses recognised in			
In profit or loss	(34,290)	(3,466)	(37,756)
In other comprehensive income	-	6,477	6,477
Ending balance March 31, 2012	**$ 1,804,001**	**507,772**	**2,311,773**

(Amounts Expressed in Thousands of New Taiwan Dollars)

For the three months ended March 31, 2013 and 2012, total gains and losses included in "other gains and losses" and "unrealised gains and losses from available-for-sale financial assets were as follows:

	For the three months ended March 31,	
	2013	2012
Total gains and losses recognised in:		
In profit or loss, and included "other gains and losses"	$ (9,127)	(37,756)
In other comprehensive income, and included "unrealised gains and losses from available-for-sale financial assets "	2,157	6,477

(t) Financial risk management

1.Overview

The Group have exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the report.

2.Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's Risk Management Committee based in Taiwan, which reports to the Board of Directors, is responsible for the development of the Group-wide risk management policy and related systems and controls. The Risk Management Committee has established a set of risk management guidelines to which all subsidiaries adhere. With these guidelines, subsidiaries develop their own risk management policies in accordance to individual market conditions, operating environment and business needs. The Risk Management Committee reviews and approves such policies prior to their adoption by the subsidiaries. Subsidiaries are required to submit quarterly risk analysis reports to their respective board of directors and the Risk Management Committee. Further, regular meetings between the Company and the subsidiaries are held to monitor and implement the risk management guidelines and policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

3.Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk can also arise from operational failures that result in unauthorized or inappropriate advance, commitment or investment of funds. The Group are exposed to credit risk primarily through its lease contracts, installment sales contracts, international and domestic factoring contracts, direct finance and commercial real estate and mezzanine finance loans, guarantees and other commitments. In the Group's past experiences, the major causes of bad debts in its portfolio include:

1) non-payment or delay in payment of customers' downstream accounts

2) poor operating and financial performance due to macroeconomic factors

3) poor investment decisions made by customers

4) poor business management

5) high default rate of private loans to small and medium enterprises

6) to a lesser extent, other factors, such as misappropriation by employees, malicious bankruptcies, sudden tightening of credit lines from banks, debt burden resulting from guarantee obligations, litigation and major exchange rate losses.

Each operating company in the Group is required to implement credit policies, procedures and lending guidelines that meet local requirements while conforming to Group standards. Each operating company is responsible for the quality and performance of all its credit portfolios and for monitoring and controlling all credit risks in them. This includes managing its own risk concentration by market sector, geography and product. Local systems are in place throughout the Group to control and monitor exposures by customer and product segments.

4.Liquidity risk

Liquidity risk is the risk that the Group do not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. The risk can arise from mismatches in the timing of cash flows. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be obtained at the expected terms and when required. The Group's primary source of liquidity risk arises from mismatches in cash flow in the maturity periods of the Group's assets and liabilities.

The Group monitor the relative maturities between its assets and liabilities and take necessary steps to maintain an appropriate balance of long-term and short-term funding sources. The Group use a broad range of financial instruments such as bank borrowings from both domestic and foreign banks, corporate bonds, money market instruments, accounts receivable syndication and in both the United States, Thailand and Taiwan, asset securitization, to maintain a diverse and cost efficient funding base. The Group believe it holds sufficient cash to finance long-term funding needs.

The management of liquidity and funding is primarily carried out locally by the Group operating entities in each country. The Group require its operating entities to maintain strong liquidity positions and to manage its liquidity profiles of their assets, liabilities and commitments with the objective of ensuring that their cash flows are balanced appropriately and that all their anticipated obligations can be met when due. The Group adapt its liquidity and funding risk management framework in response to changes in the mix of business that it undertakes, and to changes in the nature of the markets in which it operates. The Group have continuously monitored the impact of recent market events on the Group's liquidity position and have changed behavioral assumptions where justified. The liquidity and funding risk management framework will continue to evolve as the Group assimilate knowledge from the recent market events.

The Group's liquidity and funding management process includes:

1) projecting cash flows under various stress scenarios and considering the level of liquid assets comprising mainly cash and cash equivalents

2) maintaining a diverse range of funding sources with back-up facilities

3) managing the concentration and profile of debt maturities

4) maintaining liquidity and funding contingency plans. These plans identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises, while minimising adverse long-term implications for the business.

The Group do not have a funding contingency plan, but manage this risk by engaging in products that have high liquidity and entering into transactions with counterparties that possess sufficient facility, information and capability to conduct the transaction in the relevant market.

The Group use a number of standard projected cash flow scenarios designed to model both Group-specific and market-wide liquidity crisis, in which the rate and timing of receipts and drawdowns on committed lending facilities are varied, and the ability to access funding and to generate funds from assets portfolios is restricted. The appropriateness of the assumptions under each scenario is regularly reviewed. In addition to the Group's standard projected cash flow scenarios, individual entities are required to design their own scenarios tailored to reflect specific local market conditions, products and funding bases. Limit for cumulative net cash flows under stress scenarios are set for each operating entities. Cash flows limits reflect the local market conditions and the diversity of funding sources available. Compliance with entity level limits is monitored centrally by the head office in Taiwan.

5.Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

1) Management of market risk

The objective of the Group's market risk management is to manage and control market risk exposures in order to optimise return on risk while maintaining a market profile consistent with the Group's status as a provider of financial products and services.

Overall authority for market risk is vested in the Assets and Liabilities Management Committee ("ALCO"). The ALCO oversees the management of the Group's overall assets and liabilities, with particular focus on liquidity and market risks, and develops the relevant management policies in accordance with the risk management guidelines and policies adopted by the Risk Management Policy Committee. The ALCO submits its finding to the Chairman and the Risk Management Policy Committee.

2) Currency risk

The Group are exposed to currency risk through transactions in foreign currencies and through its investment on foreign operations. The Group's main operations are in Taiwan, PRC, and Thailand. The functional currencies of these operations are the New Taiwan Dollars, Renminbi, and Thai Baht respectively.

The Group are not exposed to significant exchange risk since the Group finance a significant proportion of its net investment in foreign operations with borrowings in the same currencies as the relevant measurement currencies to mitigate its currency risk. Further, the Group's subsidiaries in respective countries fund their operations through local funding in the local currency and lend in the same currency in which they borrow money, which creates a natural hedge. The Group have only small portion of assets and liabilities held in currencies other than the relevant measurement currencies in the respective countries.

3) Interest rate risk

Interest rate risk represents exposure to adverse movements in interest rates. The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets, including investment securities, and interest-bearing liabilities mature or reprice at different times or in different amounts. Sensitivity to interest rate movements arise from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liability funding. As interest rates and yield curves change over time, the size and nature of these mismatches may result in a loss or gain in earnings. In particular, most of the Group's financing obligations are on short-term and floating rate basis, and any sudden increase in market interest rate will result in a corresponding increase in the Group's debt servicing obligations.

The Group have adopted a series of core indicators for interest rate risk management, standards for interest rate sensitivity gap analysis and guidelines for its interest rate risk management. The analysis of the Group's interest rate risk includes an assessment of the incremental gaps between interest-sensitive assets and liabilities and the results of sensitivity analysis to measure the potential exposures in the Group's investment portfolio as a result of an interest rate change. The Group manage its interest rate risk exposure by adjusting the structure of its assets and liabilities based on an assessment of potential changes in interest rates using gap analysis, which provides a measure of the repricing characteristics of the Group's assets and liabilities. In addition, the Group have entered into interest rate swap contracts with financial institutions that have good credit ratings to manage its interest rate risk.

4) Other market price risks

The management of the Group monitor the combination of debts and equity securities in its investment portfolio based on market index. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Risk Management Committee.

The primary goal of the Group's investment strategy is to maximize investment returns in order to partially meet the Group's unfunded defined benefit obligations; management is assisted by external advisors in this regards. In accordance with this strategy, certain investments are designated at fair value through profit or loss because their performance is actively monitored and they are managed on a fair value basis.

(u) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, or pay or adjust the amount of dividend payment, return capital to shareholders.

(Amounts Expressed in Thousands of New Taiwan Dollars)

The Group use the debt-to-equity ratio to manage capital. The total capital and equity include share capital, capital surplus, retained earnings, other equity and non－controlling interest plus net debt of the Group. The Group's debt to equity ratio at the reporting date was as follows:

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
Total Liabilities	$ 148,700,036	141,599,937	119,362,826	118,467,212
Less: cash and cash equivalents	(10,649,208)	(10,131,431)	(7,330,750)	(6,558,070)
Net debt	138,050,828	131,468,506	112,032,076	111,909,142
Total Equity	27,157,697	25,011,621	17,322,650	16,815,491
Less: amounts accumulated in equity relating to cash flow hedges	(9,461)	(11,396)	(12,673)	(15,988)
Adjusted capital	**$ 165,199,064**	**156,468,731**	**129,342,053**	**128,708,645**
Debt to equity ratio	**83.57 %**	**84.02 %**	**86.62 %**	**86.95 %**

As of March 31, 2013, according to the Company's management, there were no changes in the Group's approach to capital management.

(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 March 31, 2013	2012
Short-term employee benefits	$ 68,772	51,972
Post-employment benefits	490	7,361
	$ 69,262	**59,333**

(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 March 31, 2013	2012
Rental Revenues		
Affiliates	**$ 4,580**	**5,106**
Rental Expenses		
Affiliates	**$ 5,063**	**4,826**

(Amounts Expressed in Thousands of New Taiwan Dollars)

2.Capital Leases

	Capital leases receivable		Unearned revenue	
2013.3.31	**Short-term**	**Long-term**	**Short-term**	**Long-term**
Affiliates	$ 943	-	(120)	-
2012.3.31				
Affiliates	$ 5,727	-	(520)	-
2012.3.31				
Affiliates	$ 7,340	-	(796)	-
2012.1.1				
Affiliates	$ 7,009	-	(762)	-

For the three months ended March 31, 2013 and 2012, interest revenue from the capital leases with affiliates amounted to $16 and $130, respectively.

3.Deposits

	2013.3.31	
	Ending Balance	**Interest rate**
Affiliates	$ 120,023	0%~1.35%

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

	2012.3.31	
	Ending Balance	**Interest rate**
Affiliates	$ 238,089	0.17%~1.35%

	2012.1.1	
	Ending Balance	**Interest rate**
Affiliates	$ 495,939	0.88%~1.35%

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

For the three months ended March 31, 2013 and 2012, interest revenue from the savings in the affiliates amounted to $12 and $1, respectively.

(Amounts Expressed in Thousands of New Taiwan Dollars)

4.Interest bearing borrowings

	2013.3.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 3,663,278	3.41%~7.38%	1,188

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

	2012.3.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 2,763,767	3.58%~7.38%	936

	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, unsecured corporate bonds and long-term borrowings.

For the three months ended March 31, 2013 and 2012, interest expenses from the interest bearing borrowings from the affiliates amounted to $29,452 and $29,151, respectively.

5.Bonds payable

	2013.3.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 30,711	4.60%	178

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

	2012.3.31		
	Ending balance	**Interest rate**	**Interest payable**
Affiliates	$ 28,896	4.60%	171

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

For the three months ended March 31, 2013 and 2012, interest expenses from bonds payable to the affiliates amounted to $338 and $331, respectively.

6.Accounts Receivable (Payable)

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
1) **Accounts Receivable**				
Affiliates	$ 16,163	13,250	2,933	75,845
2) **Other Receivables**				
Affiliates	$ 48,332	54,473	128,205	76,470

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

	2013.3.31	2012.12.31	2012.3.31	2012.1.1
3) **Other current financial assets**				
Affiliates	$ 1,000	1,000	1,000	1,000
4) **Other non-current financial assets**				
Affiliates	$ -	17,167	29,000	30,200
5) **Other current financial liabilities**				
Affiliates	$ -	22,168	5,072	-

7.Others

	For the three months ended March 31, 2013	2012
Other interest revenues	$ 157	93
Commission and service revenues	12,979	8,266
Other operating revenues	342	18,239
Commission and service costs	(116)	(92)
Other operating costs	(9,324)	(6,463)
	$ 4,038	20,043

1) Loans Receivable

	2013.3.31 Ending balance	Interest rate	Interest payable
Affiliates	$ 344,164	3.31%~3.47%	2,886

(Amounts Expressed in Thousands of New Taiwan Dollars)

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

	2012.3.31		
	Ending balance	Interest rate	Interest payable
Affiliates	$ 240,979	2.46%~3.58%	340

	2012.1.1		
	Ending balance	Interest rate	Interest payable
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.

For the three months ended March 31, 2013 and 2012, interest revenue from the loans receivable from affiliates amounted to $2,926 and $13,759, repectively.

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. Please refer to Note (4) (j) for related information.

3) Endorsements and guarantees with related parties

Bank	Ending Balance	Bank Facilities	Beginning Date	Ending Date	Guarantee to	Remarks
2013.3.31						
Kaohsiung Bank	TWD 419,500		2012.06.05	2013.06.11	Associates	Real estate mortgage guarantee
Kaohsiung Bank	TWD 125,000		2012.06.05	2014.06.30	〃	Real estate mortgage guarantee
	TWD 544,500	**TWD 743,400**				
2012.12.31						
Kaohsiung Bank	TWD 419,500		2012.06.05	2013.06.11	Associates	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**				

(Amounts Expressed in Thousands of New Taiwan Dollars)

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2013.3.31	2012.12.31	2012.3.31	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	$ 4,568,225	5,449,536	1,035,598	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	817,646	771,503	649,372	616,069
Property and equipment, and assets held for lease	As guarantee for short-term and long-term borrowings	2,031,185	1,110,404	1,119,981	1,123,173
Equity securities	Issuance of short-term bills and as guarantee for short-term and long-term borrowings	713,522	738,479	775,940	636,667
Refundable deposits	Provincial court seizure etc.	811,553	88,967	82,648	72,348
Notes receivable	Issuance of short-term bills, corporate bonds and as guarantee for short-term and long-term borrowings	18,589,950	22,849,773	24,958,277	24,907,418
Accounts receivable and loans	As guarantee for short-term and long-term borrowings	47,964,756	48,534,425	18,360,870	41,599,888
Total		$ 75,499,037	79,544,987	46,984,886	70,318,895

(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 March 31, 2013, and December 31, March 31, January 1, 2012, the balance of unexpired payments from these alliance transactions amounted to $7,710,817, $5,384,047, $3,004,816, 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 March 31, 2013, and December 31, March 31, January 1, 2012, the payable balance from these transactions amounted to$586,075, $634,067, $812,729, 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 March 31, 2013, and December 31, March 31, January 1, 2012, the balance of financing obtained from such facilitation amounted to $50,766, $63,227, $46,455, and $52,316, respectively.

(f) As of March 31, 2013, Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. entered into pre-selling building premises construction contracts with customers worth $3,511,840, and Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. received advance payments of $737,670 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 $874,176.

(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：

	2013.3.31		
	Expected to be collected or paid within 12 months	**Expected to be collected or paid after12 months**	**Total**
Current assets			
Cash and cash equivalents	$ 10,649,208	-	10,649,208
Current financial assets at fair value through profit or loss	365,903	-	365,903
Current held-to-maturity financial assets	2,814,000	-	2,814,000
Accounts receivable, net	75,625,835	40,452,584	116,078,419
Construction in progress	817,646	-	817,646
Other current financial assets	6,047,756	-	6,047,756
Other current assets – others	1,691,330	-	1,691,330
	$ 98,011,678	**40,452,584**	**138,464,262**
Current liabilities			
Short-term borrowings	$ 56,866,805	-	56,866,805
Current derivative financial liabilities for hedging	9,461	-	9,461
Accounts and notes payable	873,922	-	873,922
Current tax payable	708,576	-	708,576
Other current financial liabilities	5,491,484	12,066,161	17,557,645
Advance real estate receipts	302,039	-	302,039
Long-term liabilities – current portion	26,049,326	22,122,565	48,171,891
Other current liabilities – others	1,085,616	-	1,085,616
	$ 91,387,229	**34,188,726**	**125,575,955**

(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	25,642,483	48,013,874
Other current liabilities – others	1,160,557	-	1,160,557
	$ 84,192,716	36,115,179	120,307,895

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.3.31		
	Expected to be collected or paid within 12 months	**Expected to be collected or paid after12 months**	**Total**
Current assets			
Cash and cash equivalents	$ 7,330,750	-	7,330,750
Current financial assets at fair value through profit or loss	287,020	-	287,020
Current held-to-maturity financial assets	280,000	-	280,000
Accounts receivable, net	62,538,432	26,693,450	89,231,882
Construction in progress	-	649,372	649,372
Other current financial assets	6,369,092	-	6,369,092
Other current assets – others	1,123,506	-	1,123,506
	$ 77,928,800	**27,342,822**	**105,271,622**
Current liabilities			
Short-term borrowings	$ 41,257,424	-	41,257,424
Current financial liabilities at fair value through profit or loss	6,240	-	6,240
Current derivative financial liabilities for hedging	12,673	-	12,673
Accounts and notes payable	1,119,881	-	1,119,881
Current tax payable	890,616	-	890,616
Other current financial liabilities	5,625,692	7,480,413	13,106,105
Advance real estate receipts	-	178,799	178,799
Long-term liabilities – current portion	7,129,576	33,074,205	40,203,781
Other current liabilities – others	829,954	-	829,954
	$ 56,872,056	**40,733,417**	**97,605,473**

(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, depletion and amortization expenses categorized by function were as follows:

By function	For the three months ended March 31, 2013			For the three months ended March 31, 2012		
By item	Operating cost	Operating expense	Total	Operating cost	Operating expense	Total
Employee benefits						
Salary	13,798	726,192	739,990	11,795	690,840	702,635
Labor and health insurance	865	51,770	52,635	806	31,298	32,104
Pension	435	38,847	39,282	432	33,295	33,727
Others	-	46,181	46,181	-	42,982	42,982
Depreciation	366,334	23,412	389,746	452,327	23,029	475,356
Amortization	-	15,706	15,706	-	10,888	10,888

(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 March 31, 2013					
	Taiwan	China	Thailand	Others	Elimination	Total
Operating revenue:						
Revenue from external customers	$ 2,434,109	3,339,679	562,037	153,005	-	6,488,830
Inter-segment revenue	274,424	57,724	-	-	(332,148)	-
Total	**$ 2,708,533**	**3,397,403**	**562,037**	**153,005**	**(332,148)**	**6,488,830**
Reportable segment profit or loss	**$ 741,448**	**598,661**	**150,962**	**(26,196)**	**-**	**1,464,875**
Reportable segment assets	**$ 90,810,719**	**68,101,953**	**25,010,075**	**4,574,028**	**(12,639,042)**	**175,857,733**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31, 2012					
	Taiwan	China	Thailand	Others	Elimination	Total
Operating revenue:						
Revenue from external customers	$ 1,976,283	2,159,117	428,749	100,238	-	4,664,387
Intersegment revenue	135,477	-	-	-	(135,477)	-
Total	**$ 2,111,760**	**2,159,117**	**428,749**	**100,238**	**(135,477)**	**4,664,387**
Reportable segment profit or loss	**$ 576,187**	**230,113**	**91,709**	**(113,480)**	**-**	**784,529**
Reportable segment assets	**$ 65,019,119**	**52,189,443**	**18,532,353**	**4,811,550**	**(3,866,989)**	**136,685,476**

(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* accredited by FSC and in accordance with "Guidelines Governing the Preparation of Financial Reports by Securities Issuers".

The accounting policies set out in note (5) have been applied in preparing the interim condensed consolidated financial statements for the three months ended March 31, 2013, the comparative information for both the three months ended March 31, 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.

(Amounts Expressed in Thousands of New Taiwan Dollars)

(a) Reconciliation of balance sheets

	2012.12.31			2012.3.31			2012.1.1		
	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs
Assets									
Cash and cash equivalents	$ 10,131,431	-	10,131,431	7,330,750	-	7,330,750	6,558,070	-	6,558,070
Current financial assets at fair value through profit or loss	236,246	-	236,246	287,020	-	287,020	240,841	-	240,841
Current held-to-maturity financial assets	1,997,100	-	1,997,100	280,000	-	280,000	280,000	-	280,000
Accounts receivable, net	104,930,204	6,040,004	110,970,208	85,163,948	4,067,934	89,231,882	81,290,375	8,548,732	89,839,107
Construction in progress	970,877	(199,374)	771,503	701,697	(52,325)	649,372	638,924	(22,855)	616,069
Other current financial assets	5,515,405	1,233,482	6,748,887	5,501,825	867,267	6,369,092	5,142,620	970,945	6,113,565
Other current assets － others	3,803,076	(2,360,709)	1,442,367	2,636,527	(1,513,021)	1,123,506	2,713,402	(1,533,899)	1,179,503
Total current assets	127,584,339	4,713,403	132,297,742	101,901,767	3,369,855	105,271,622	96,864,232	7,962,923	104,827,155
Non-current financial assets at fair value through profit or loss	1,791,558	-	1,791,558	1,804,001	-	1,804,001	1,838,291	-	1,838,291
Non-current available-for-sale financial assets	-	1,202,629	1,202,629	-	1,239,880	1,239,880	-	1,085,758	1,085,758
Non-current financial investments carried at cost	1,436,728	(1,436,728)	-	1,440,374	(1,440,374)	-	1,445,986	(1,445,986)	-
Non-current held-to-maturity financial assets	490,000	-	490,000	-	-	-	-	-	-
Investments accounted for using equity method	7,062	-	7,062	1,272	-	1,272	1,243	-	1,243
Property, plant and equipment	6,333,476	171,219	6,504,695	8,023,717	115,604	8,139,321	8,610,284	113,326	8,723,610
Intangible assets	23,087	-	23,087	23,952	-	23,952	24,669	-	24,669
Deferred tax assets	782,950	956,234	1,739,184	1,004,303	231,543	1,235,846	835,397	391,298	1,226,695
Long-term accounts receivable, net	25,988,488	(4,246,065)	21,742,423	21,295,341	(2,821,999)	18,473,342	23,904,554	(6,743,601)	17,160,953
Other non-current assets － others	2,355,018	(1,541,840)	813,178	1,501,052	(1,004,812)	496,240	2,193,834	(1,799,505)	394,329
Total non-current assets	39,208,367	(4,894,551)	34,313,816	35,094,012	(3,680,158)	31,413,854	38,854,258	(8,398,710)	30,455,548
Total assets	**$ 166,792,706**	**(181,148)**	**166,611,558**	**136,995,779**	**(310,303)**	**136,685,476**	**135,718,490**	**(435,787)**	**135,282,703**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.12.31			2012.3.31			2012.1.1		
	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs
Liabilities									
Short-term borrowings	$ 51,043,587	-	51,043,587	41,257,424	-	41,257,424	39,831,048	-	39,831,048
Current financial liabilities at fair value through profit or loss	5,007	-	5,007	6,240	-	6,240	757	-	757
Current derivative financial liabilities for hedging	11,396	-	11,396	12,673	-	12,673	15,988	-	15,988
Accounts and notes payable	1,772,933	10	1,772,943	1,119,881	-	1,119,881	2,312,484	(69)	2,312,415
Current tax liabilities	673,990	1,275	675,265	890,616	-	890,616	669,271	-	669,271
Other current financial liabilities	15,656,595	1,666,632	17,323,227	10,068,776	3,037,329	13,106,105	9,894,926	3,291,940	13,186,866
Advance real estate receipts	302,039	-	302,039	178,799	-	178,799	173,091	-	173,091
Long term liabilities – current portion	44,748,177	3,265,697	48,013,874	21,238,372	18,965,409	40,203,781	32,367,377	5,174,113	37,541,490
Other current liabilities － others	1,149,487	11,070	1,160,557	829,954	-	829,954	815,982	111	816,093
Total current liabilities	115,363,211	4,944,684	120,307,895	75,602,735	22,002,738	97,605,473	86,080,924	8,466,095	94,547,019
Bonds payable	6,948,536	-	6,948,536	5,174,240	-	5,174,240	5,175,290	-	5,175,290
Long-term borrowings	15,197,148	(3,265,697)	11,931,451	33,775,671	(18,965,408)	14,810,263	22,342,408	(5,174,113)	17,168,295
Deferred tax liabilities	969,734	6,356	976,090	791,731	(386,260)	405,471	449,249	(145,276)	303,973
Other non-current liabilities	2,461,100	(1,025,135)	1,435,965	3,883,303	(2,515,924)	1,367,379	4,314,200	(3,041,565)	1,272,635
Total non-current liabilities	25,576,518	(4,284,476)	21,292,042	43,624,945	(21,867,592)	21,757,353	32,281,147	(8,360,954)	23,920,193
Total liabilities	140,939,729	660,208	141,599,937	119,227,680	135,146	119,362,826	118,362,071	105,141	118,467,212
Equity attributable to owners of parent									
Share capital	9,053,004	-	9,053,004	7,853,004	-	7,853,004	7,853,004	-	7,853,004
Capital surplus	9,413,475	(1,704)	9,411,771	4,658,379	(1,476)	4,656,903	4,694,420	-	4,694,420
Unappropriated retained earnings	5,699,285	(616,931)	5,082,354	4,160,970	(247,672)	3,913,298	3,364,429	(186,664)	3,177,765
Other equity	(64,865)	(213,984)	(278,849)	(34,999)	(187,728)	(222,727)	167,014	(344,183)	(177,169)
Total equity attributable to owners of parent	24,100,899	(832,619)	23,268,280	16,637,354	(436,876)	16,200,478	16,078,867	(530,847)	15,548,020
Non-controlling interests	1,752,078	(8,737)	1,743,341	1,130,745	(8,573)	1,122,172	1,277,552	(10,081)	1,267,471
Total equity	25,852,977	(841,356)	25,011,621	17,768,099	(445,449)	17,322,650	17,356,419	(540,928)	16,815,491
TOTAL LIABILITIES AND EQUITY	**$ 166,792,706**	**(181,148)**	**166,611,558**	**136,995,779**	**(310,303)**	**136,685,476**	**135,718,490**	**(435,787)**	**135,282,703**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(b) Reconciliation of comprehensive income

	For the year ended December 31, 2012			For the three months ended March 31, 2012		
	Previous GAAP	Effects of transition to IFRS	IFRSs	Previous GAAP	Effects of transition to IFRS	IFRSs
Operating revenue	$ 22,085,258	(672,663)	21,412,595	4,761,318	(96,931)	4,664,387
Operating costs	(9,680,479)	179,225	(9,501,254)	(2,102,515)	39,632	(2,062,883)
Gross profit from operation	12,404,779	(493,438)	11,911,341	2,658,803	(57,299)	2,601,504
Operating expenses	(7,089,563)	(38,830)	(7,128,393)	(1,567,103)	(65,298)	(1,632,401)
Net other income and expenses	-	255,458	255,458	-	136,368	136,368
Operating profit	5,315,216	(276,810)	5,038,406	1,091,700	13,771	1,105,471
Non-operating income and expenses：						
Other income	199,269	(82,461)	116,808	23,940	(5,462)	18,478
Other gains and losses	708,894	8,972	717,866	91,382	(69,517)	21,865
Profit before income tax	6,223,490	(350,299)	5,873,191	1,207,051	(61,208)	1,145,843
Income tax expense	(1,833,981)	(4,262)	(1,838,243)	(361,499)	185	(361,314)
Profit for the period	4,389,509	(354,561)	4,034,948	845,552	(61,023)	784,529
Other comprehensive income (loss)：						
Exchange differences on translation of foreign financial statements	-	(344,209)	(344,209)	-	(271,638)	(271,638)
Unrealized gains (losses) on available for sale financial assets	-	126,129	126,129	-	159,734	159,734
Gains (losses) of effective portion of cash flow hedges	-	4,592	4,592	-	3,315	3,315
Gains (losses) of effective portion of hedges of net investment in foreign operations	-	29,695	29,695	-	14,500	14,500
Actuarial losses on defined benefit plans	-	(75,380)	(75,380)	-	-	-
Other comprehensive income － other	-	75,459	75,459	-	46,897	46,897
Other comprehensive income (loss) for the period, net of tax	-	(183,714)	(183,714)	-	(47,192)	(47,192)
Total comprehensive income for the period	**$ 4,389,509**	**(538,275)**	**3,851,234**	**845,552**	**(108,215)**	**737,337**
Profit attributable to：						
Owners of parent	$ 4,141,047	(354,887)	3,786,160	796,541	(61,008)	735,533
Non-controlling interests	248,462	326	248,788	49,011	(15)	48,996
Profit for the period	**$ 4,389,509**	**(354,561)**	**4,034,948**	**845,552**	**(61,023)**	**784,529**
Comprehensive income attributable to：						
Owners of parent	$ 4,141,047	(531,947)	3,609,100	796,541	(106,566)	689,975
Non-controlling interests	248,462	(6,328)	242,134	49,011	(1,649)	47,362
Profit for the period	**$ 4,389,509**	**(538,275)**	**3,851,234**	**845,552**	**(108,215)**	**737,337**
Earnings per share						
Basic earnings per share	**$ 5.11**	**(0.44)**	**4.67**	**1.01**	**(0.07)**	**0.94**

(Amounts Expressed in Thousands of New Taiwan Dollars)

(c) Notes to the 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.

The impact arising from the change is summarized as follows：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 year ended December 31, 2012	For the three months ended March 31, 2012
Consolidated statements of comprehensive income		
Operating revenue：		
Construction revenue	$ (556,898)	(86,396)
Operating costs：		
Construction costs	380,379	56,926
Operating expenses	31,649	7,477
Adjustment before income tax	**$ (144,870)**	**(21,993)**

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Construction in progress	$ (199,374)	(52,325)	(22,855)
Other current assets	(48,717)	(72,889)	(80,366)
Related tax effect	13,662	13,662	13,662
Adjustment to retained earnings	**$ (234,429)**	**(111,552)**	**(89,559)**

(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 year ended December 31, 2012	For the three months ended March 31, 2012
Consolidated statements of comprehensive income		
Operating revenue	$ (126,819)	-
Operating expenses	(98,984)	(23,763)
Adjustments before income tax	**$ (225,803)**	**(23,763)**

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Accounts receivable	$ -	174,699	179,228
Property, plant and equipment	-	(57,221)	(60,040)
Other current financial liabilities	-	9,091	9,327
Other non-current liabilities－other	167,147	242,363	267,436
Other equity	3,001	3,256	-
Related tax effect	(3,618)	(3,618)	(3,618)
Adjustment to retained earnings	**$ 166,530**	**368,570**	**392,333**

(Amounts Expressed in Thousands of New Taiwan Dollars)

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 as of January 1 and December 31, 2012.

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

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Property, plant and equipment	$ 174,597	176,237	176,783
Other assets	(174,597)	(176,237)	(176,783)
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 to FSC accredited IFRS, all previously unrecognized cumulative actuarial gains and losses are recognized in retained earnings and reversed in the previous years' statements of comprehensive income.

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

	For the year ended December 31, 2012	For the three months ended March 31, 2012
Consolidated statements of comprehensive income		
Operating expenses	$ 21,612	4,529
Adjustments before income tax	**$ 21,612**	**4,529**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Other current assets – other	$ 854	(236)	(236)
Other non-current liabilities	(636,532)	(564,431)	(568,984)
Capital surplus	1,704	1,476	-
Other equity	52,264	(16,022)	(16,045)
Non-controlling interest	8,737	8,557	10,081
Other comprehensive income - actuarial losses on defined benefit plans	(75,380)	-	-
Related tax effect	108,756	94,129	93,943
Adjustment to retained earnings	**$ (539,597)**	**(476,527)**	**(481,241)**

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, the fair value of the financial assets designated as available-for-sale financial assets amounted to $1,085,758 at the date of transition to IFRS. 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 year ended December 31, 2012	For the three months ended March 31, 2012
Consolidated statements of comprehensive income		
Unrealized gains or losses on available-for-sale financial assets	$ 126,129	159,734
Adjustments before income tax	**$ 126,129**	**159,734**

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Available-for-sale financial assets	$ 1,202,629	1,239,880	1,085,758
Financial assets carried at cost	(1,436,728)	(1,440,374)	(1,445,986)
Other comprehensive income	234,099	200,494	360,228
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 year ended December 31, 2012	For the three months ended March 31, 2012
Consolidated statements of comprehensive income		
Operating expenses	$ (1,238)	(19,981)
Adjustments before income tax	**$ (1,238)**	**(19,981)**

	2012.12.31	2012.3.31	2012.1.1
Consolidated statements of balance sheet			
Other current financial liabilities	$ (9,435)	(28,179)	(8,197)
Non-controlling interests	-	16	-
Adjustment to retained earnings	**$ (9,435)**	**(28,163)**	**(8,197)**

(Amounts Expressed in Thousands of New Taiwan Dollars)

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

	2012.12.31	2012.3.31	2012.1.1
Construction in progress	$ 13,662	13,662	13,662
Deferred credits	(3,618)	(3,618)	(3,618)
Employee benefits	108,756	94,129	93,943
Increase (decrease) in deferred tax assets (liabilities)	**$ 118,800**	**104,173**	**103,987**

Under IFRS, the adjustments above also increased and decreased the income tax expense of the statement of comprehensive income by $4,262 and $185 for the year ended December 31, 2012, and three months ended March 31, 2012, respectively.

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

	2012.12.31	2012.3.31	2012.1.1
Construction in progress	$ (234,429)	(111,552)	(89,559)
Sale and leaseback	166,530	368,570	392,333
Employee benefits－actuarial gains or losses	(539,597)	(476,527)	(481,241)
Employee benefits－paid leaves	(9,435)	(28,163)	(8,197)
Decrease in retained earnings	**$ (616,931)**	**(247,672)**	**(186,664)**

(d) Except for optional exemptions and mandatory exceptions under IFRS 1, the Group are required to determine the accounting policies under IFRSs and retrospectively apply those accounting policies in its opening balance sheet at the date of transition to IFRSs. 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.