

Hwa-Hsia Leasing & Financial Corporation
Consolidated Balance Sheets



Unit: NTD 000	2010Q3	(Audited) 2009	(Audited) 2008	(Audited) 2007	(Audited) 2006
Assets					
Current assets					
Cash and cash equivalents	56,644	66,705	35,013	53,841	42,283
Marketable securities	24,749	19,884	13,584	19,509	3,494
Receivables, net	984	88,041	171,349	96,289	117,067
Deferred taxes on income			1,169	8,572	5,988
Prepaid expenses and other	10,412	1,649	1,626	818	753
Total current assets	92,789	176,279	222,741	179,029	169,585
Marketable securities - non current	47,015	48,110	49,400	73,060	24,415
Operating lease assets, net	1,146,612	1,931,376	344,118	209,694	100,228
Property, plant and equipment, net	276	551	919	1,308	6,551
Deferred taxes on income	10,928	14,989	16,995	25,779	28,363
Other assets	1,831	4,195	6,270	1,388	1,020
Total Assets	1,299,451	2,175,500	640,443	490,258	330,162
Liabilities and Shareholders' Equity					
Current liabilities					
Bank loans payable			2,000		20,600
Accrued taxes on income	18,663	2,000	2,000	5,800	
Accrued expenses	4,720	14,346	4,834	5,191	2,525
Current portion of long-term liabilities	8,523	14,718	77,863	37,938	
Other current liabilities	14,918	861	1,351	607	421
Total current liabilities	46,824	31,925	88,048	49,536	23,546
Loans payable	456,451	1,501,648	196,827	127,062	
Unsecured bonds payable		250,000			
Other liabilities	11,002	20,749	3,657	2,418	11,000
Total Liabilities	514,277	1,804,322	288,532	179,016	34,546
Shareholders' equity					
Common stock-par value \$10 per share (authorized 150,000,000 shares; issued 35,164,600 shares)	451,646	351,646	351,646	351,646	351,646
Retained earnings (Accumulated deficit)	338,318	27,120	13,018	(33,635)	(53,889)
Valuation of marketable securities	(4,790)	(4,939)	(10,104)	(4,120)	508
Less: common stock held in treasury, at cost	0	(2,649)	(2,649)	(2,649)	(2,649)
Total shareholders' equity	785,174	371,178	351,911	311,242	295,616
Total Liabilities and Shareholders' Equity	1,299,451	2,175,500	640,443	490,258	330,162

Hwa-Hsia Leasing & Financial Corporation
Consolidated Statements of Earnings



Unit: NTD 000	2010Q3	(Audited) 2009	(Audited) 2008	(Audited) 2007	(Audited) 2006
Rental revenue on operating lease assets	28,810	68,386	15,095	11,769	5,876
Interest and fees revenue	2,769	7,994	71	3,646	4,219
Total revenue	31,579	76,380	15,166	15,415	10,095
Selling and administrative expenses	17,358	21,118	23,515	29,971	23,368
Interest expense directly relating to leasing activities	10,031	26,783	7,926	4,257	1,062
Depreciation on operating lease assets	3,153	8,080	1,406	1,056	420
Other (operating) expenses	1,327	17,461	1,444		
Total operating expenses	31,869	73,442	34,291	35,284	24,850
Interest & dividend income	1,326	461	1,194	3,209	1,658
Interest expense	(3,127)	(10,922)			
Gains on sale of operating lease assets	479,011	19,516		38,109	
Gains on sale of marketable securities	686				6,148
Recovery of credit loss previously charged off		5,900	76,265	4,200	14,000
Foreign exchange gain (losses)	(117)	(42)	325	13	(249)
Impairment of assets	(68,835)				
Other income & expenses	(59,017)	(1,390)	357	392	5,874
Total other income and expenses	349,927	13,523	78,141	45,923	27,431
Earnings before provision for taxes on income	349,637	16,461	59,016	26,054	12,676
Provision for taxes on income (losses)	(21,652)	(2,359)	(12,363)	(5,800)	36
Net earnings	327,985	14,102	46,653	20,254	12,712
Basic net earnings per share	7.95	0.40	1.33	0.58	0.38
Diluted net earnings per share	7.95	0.40	1.33	0.58	0.38

Hwa-Hsia Leasing & Financial Corporation
Consolidated Statements of Equity



Unit: NTD 000

(Audited)	Total	Common Stock Issued Amount	Preferred Stock Issued Amount	Legal capital reserve	Special capital reserve	Retained Earnings (Accumulated Deficit)	Accumulated Currency Translation Adjustment	Accumulated Other Comprehensive Income	Treasury Stock Amount
Balance, December 31, 2005	282,222	290,108	39,817			(45,054)	0	0	(2,649)
Redemption of preferred stock	(39,817)		(39,817)						
Proceeds from new shares issued under par	40,000	61,538				(21,538)			
Net earnings	12,703					12,703			
Unrealized loss on marketable securities	508							508	
Balance, December 31, 2006	295,616	351,646	0			(53,889)	0	508	(2,649)
Net earnings	20,254					20,254			
Currency translation adjustment	(878)						(878)		
Unrealized loss on marketable securities	(3,750)							(3,750)	
Balance, December 31, 2007	311,242	351,646	0			(33,635)	(878)	(3,242)	(2,649)
Net earnings	46,653					46,653			
Currency translation adjustment	787						787		
Unrealized loss on marketable securities	(6,771)							(6,771)	
Balance, December 31, 2008	351,911	351,646	0			13,018	(91)	(10,013)	(2,649)
Net earnings	14,102					14,102			
Legal capital reserve				1,302		(1,302)			
Special capital reserve					11,716	(11,716)			
Currency translation adjustment	(1,302)						(1,302)		
Unrealized loss on marketable securities	6,467							6,467	
Balance, December 31, 2009	371,178	351,646	0	1,302	11,716	14,102	(1,393)	(3,546)	(2,649)

Hwa-Hsia Leasing & Financial Corporation
Consolidated Statements of Cash Flows



Unit: NTD 000	2010Q3	(Audited) 2009	(Audited) 2008	(Audited) 2007	(Audited) 2006
Cash flows from operating activities					
Net earnings	327,985	14,102	46,653	20,254	12,712
Adjustments to reconcile net earnings to cash flows from operating activities:					
Depreciation and amortization	3,428	8,448	1,795	1,449	728
Gains on sale of operating lease assets	(479,011)	(19,516)		(38,109)	
Foreign exchange gain (losses)				136	475
Recovery of credit loss previously charged off		(4,700)	(76,265)		
Impairment of assets	68,835				
Deferred taxes on income	4,443	2,359	16,187		
Other	59,525	1,142	(360)	(457)	(5,958)
Changes in assets and liabilities:					
Decrease/(Increase) in receivables	(34)	4,023	1,205	20,052	(23,333)
Increase/(Decrease) in accrual	7,037	(2,697)	(4,157)	8,466	(1,663)
Decrease/(Increase) in other current and non-current assets	20,151	9,512	(807)	(65)	141
Increase/(Decrease) in other current and non-current liabilities	14,057	(490)	746	186	(2,674)
Net cash flows from (used by) operating activities	26,416	12,183	(15,003)	11,912	(19,572)
Cash flows from investing activities					
Additions to operating lease assets	(969,453)	(1,691,047)	(135,830)	(205,564)	(106,205)
Disposal of operating lease assets	2,161,240	211,912		138,001	
Purchases of marketable securities	(15,607)	(8,112)	(50,554)	(51,265)	(61,017)
Sales of marketable securities	16,608		74,482	31,957	65,677
Purchase of marketable securities - non current			(200)	(48,775)	
Other	(50)		(4,882)	222	436
Net cash used by investing activities	1,192,738	(1,487,247)	(116,984)	(135,424)	(101,109)
Cash flows from financing activities					
Proceeds from exercise of employee stock options	(18,066)				
Proceeds from short-term debt		(2,000)	2,000		20,600
Repayment of short-term debt				(20,600)	
Proceeds from issuance of unsecured bonds		300,000			
Repayment of bonds payable	(250,000)	(50,000)			
Proceeds from bank loans	350,000	1,395,000	177,600	250,000	
Repayment of bank loans	(1,401,392)	(153,324)	(67,910)	(85,000)	
Redemption of Preferred Stock					(39,817)
Proceeds from new shares issued	100,000				40,000
Other	(9,747)	17,092	1,239	(8,582)	11,000
Net cash flows from financing activities	(1,229,205)	1,506,768	112,929	135,818	31,783
Effect of exchange rate changes on cash and cash equivalents	(10)	(12)	230	(748)	
Increase/(Decrease) in cash and cash equivalents	(10,061)	31,692	(18,828)	11,558	(88,898)
Cash and cash equivalents, beginning of year	66,705	35,013	53,841	42,283	131,181
Cash and cash equivalents, end of year	56,644	66,705	35,013	53,841	42,283
Supplemental cash flow data					
Interest paid	16,388	34,437	7,863	4,036	1,062
Income taxes paid	123	44			4,689