

## 25. EARNINGS PER SHARE

EPS is computed as follows:

	Amounts (Numerator)		Number of Shares (Denominator) (In Thousands)	EPS (NT\$)	
	Before Income Tax	After Income Tax		Before Income Tax	After Income Tax
<u>Year ended December 31, 2012</u>					
Basic EPS					
Earnings available to common shareholders of the parent	\$ 181,756,619	\$ 166,158,802	25,920,735	\$ <u>7.01</u>	\$ <u>6.41</u>
Effect of dilutive potential common shares	-	-	7,201		
Diluted EPS					
Earnings available to common shareholders of the parent (including effect of dilutive potential common shares)	\$ <u>181,756,619</u>	\$ <u>166,158,802</u>	<u>25,927,936</u>	\$ <u>7.01</u>	\$ <u>6.41</u>
<u>Year ended December 31, 2011</u>					
Basic EPS					
Earnings available to common shareholders of the parent	\$ 144,852,948	\$ 134,201,279	25,914,076	\$ <u>5.59</u>	\$ <u>5.18</u>
Effect of dilutive potential common shares	-	-	10,606		
Diluted EPS					
Earnings available to common shareholders of the parent (including effect of dilutive potential common shares)	\$ <u>144,852,948</u>	\$ <u>134,201,279</u>	<u>25,924,682</u>	\$ <u>5.59</u>	\$ <u>5.18</u>

If the Company may settle the obligation by cash, by issuing shares, or in combination of both cash and shares, profit sharing to employees which will be settled in shares should be included in the weighted average number of shares outstanding in calculation of diluted EPS, if the shares have a dilutive effect. The number of shares is estimated by dividing the amount of profit sharing to employees in stock by the closing price (after considering the dilutive effect of dividends) of the common shares on the balance sheet date. Such dilutive effect of the potential shares needs to be included in the calculation of diluted EPS until the shares of profit sharing to employees are resolved in the shareholders' meeting in the following year.

## 26. DISCLOSURES FOR FINANCIAL INSTRUMENTS

a. Fair values of financial instruments were as follows:

	December 31			
	2012		2011	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<u>Assets</u>				
Financial assets at fair value through profit or loss	\$ 39,554	\$ 39,554	\$ 15,360	\$ 15,360
Available-for-sale financial assets	41,161,880	41,161,880	3,308,770	3,308,770
Held-to-maturity financial assets	5,056,973	5,066,363	9,068,847	9,128,063
Financial assets carried at cost	3,605,077	-	4,315,005	-
<u>Liabilities</u>				
Financial liabilities at fair value through profit or loss	15,625	15,625	13,742	13,742
Hedging derivative financial liabilities	-	-	232	232
Bonds payable (including current portion)	80,000,000	80,343,413	22,500,000	22,597,115
Long-term bank loans (including current portion)	1,487,500	1,487,500	1,650,000	1,650,000
Other long-term payables (including current portion)	967,485	967,485	3,399,855	3,399,855
Obligations under capital leases (including current portion)	756,305	756,305	870,993	870,993

b. Methods and assumptions used in the estimation of fair values of financial instruments

- 1) The aforementioned financial instruments do not include cash and cash equivalents, receivables, other financial assets, refundable deposits, short-term loans, payables and guarantee deposits. The carrying amounts of these financial instruments approximate their fair values due to their short maturities.
- 2) Except for derivatives, available-for-sale and held-to-maturity financial assets were based on their quoted market prices.
- 3) The fair values of those derivatives are determined using valuation techniques incorporating estimates and assumptions that were consistent with prevailing market conditions.
- 4) Financial assets carried at cost have no quoted prices in an active market and entail an unreasonably high cost to obtain verifiable fair values. Therefore, no fair value is presented.
- 5) Fair value of bonds payable was based on their quoted market price.
- 6) Fair values of long-term bank loans, other long-term payables and obligations under capital leases were based on the present value of expected cash flows, which approximate their carrying amounts.