

**CHAILEASE HOLDING COMPANY LIMITED  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

**With Independent Auditors' Report  
For the Years Ended December 31, 2020 and 2019**

**Address: No.362, Ruiguang Rd., Neihu District, Taipei, Taiwan, (R.O.C.)**  
**Telephone: 886-2-8752-6388**

The independent auditors' report and the accompanying consolidated 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 independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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## **Representation Letter**

The entities that are required to be included in the combined financial statements of Chailease Holding Company Limited as of and for the year ended December 31, 2020 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Chailease Holding Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company Name: Chailease Holding Company Limited  
Chairman: Fong Long, Chen  
Date: March 25, 2021



安侯建業聯合會計師事務所

KPMG

台北市110615信義路5段7號68樓(台北101大樓)  
68F., TAIPEI 101 TOWER, No. 7, Sec. 5,  
Xinyi Road, Taipei City 110615, Taiwan (R.O.C.)

Telephone 電話 + 886 2 8101 6666  
Fax 傳真 + 886 2 8101 6667  
Internet 網址 home.kpmg/tw

## Independent Auditors' Report

To the Board of Directors of Chailease Holding Company Limited:

### Opinion

We have audited the consolidated financial statements of Chailease Holding Company Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2020 and 2019, the related consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2020 and 2019, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

### Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were significant in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements taken as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters individually. Based on our judgment, the key audit matters that should be disclosed in this audit report are as follows:

#### 1. Impairment assessment of accounts receivable

Refer to Note (4) (g) "Financial instruments" and Note (5) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and Note (6) (d) "accounts receivable, net" to the consolidated financial statements for the details of the information about impairment assessment on accounts receivable.

**Description of key audit matter:**

The Group is engaged primarily in providing various services of leasing and financing, in which accounts receivable is a significant account of the Group. Impairment allowances are provided on accounts receivable based on management's best estimate of the potential losses in the accounts receivable portfolios at the balance sheet date. Management exercise judgment in making assumptions and estimations when calculating for impairment allowances on both individually and collectively assessed accounts receivables.

**How the matter was addressed in our audit:**

In relation to the key audit matter above, we have performed certain key audit procedures that included evaluating the adequacy of the Group's impairment policy on financial assets; testing to check compliance with the internal control on the process of evaluating impairment losses on loans and receivable; evaluating the assumptions and data used in the calculation; recalculating impairment allowances and rechecking it with the assumptions and data used by management; and evaluating the adequacy of the Group's disclosure for Impairment allowances on loans and receivables.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs, IASs, IFRC, SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance(including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

**Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.



3. Evaluate the propriety of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Shu-Min Hsu and Wan-Wan Lin.

KPMG

Taipei, Taiwan (Republic of China)  
March 25, 2021

#### Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial statements of financial position, financial performance and cash flows in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards, International Accounting Standards, interpretation as well as related guidance endorsed by the Financial Supervisory Commission of the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' report and the accompanying consolidated 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 independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHALEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES**

**CONSOLIDATED BALANCE SHEETS**

**December 31, 2020 and 2019**

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2020.12.31		2019.12.31				2020.12.31		2019.12.31	
		Amount	%	Amount	%			Amount	%	Amount	%
LIABILITIES AND EQUITY											
Current Liabilities :											
1100	Cash and cash equivalents (Notes (6)(a) and (7))	\$ 32,796,805	6	18,660,546	4	2100	Short-term borrowings (Notes (6)(k), (7) and (8))	\$ 56,025,737	9	60,184,562	12
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	821,296	-	232,658	-	2110	Short-term notes and bills payable (Notes (6)(j) and (8))	83,998,707	14	72,672,364	15
						2126	Current financial liabilities for hedging (Note (6)(c))	1,402,120	-	42,730	-
1136	Current financial assets at amortized cost (Note (6)(b))	14,418,945	2	10,799,119	2	2170	Accounts and notes payable	6,826,884	1	6,586,307	1
1139	Current financial assets for hedging (Notes (6)(b) and (6)(c))	118,697	-	465,101	-	2230	Current tax liabilities	3,011,666	1	2,011,215	-
1170	Accounts receivable, net (Notes (6)(d), (7) and (8))	375,719,022	63	322,186,288	65	2280	Current lease liabilities (Note (6)(m) and (7))	949,959	-	928,133	-
1476	Other current financial assets (Notes (7) and (8))	5,524,900	1	8,514,593	2	2305	Other current financial liabilities (Notes (7))	55,729,072	9	45,767,989	9
1479	Other current assets (Notes (6)(c))	8,584,757	2	6,258,911	1	2320	Long-term liabilities, current portion (Note (6)(k), (6)(l), (7) and (8))	163,482,916	28	132,600,997	27
		437,984,422	74	367,117,216	74			4,640,995	1	3,581,389	1
Non-current assets :						2399	Other current liabilities	376,068,056	63	324,375,686	65
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	28,147	-	87,919	-						
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	828,361	-	899,035	-	Non-current Liabilities :					
						2530	Bonds payable (Notes (6)(l))	19,871,998	3	17,297,324	3
1535	Non-current financial assets at amortized cost (Note (6)(b))	4,279,012	1	2,769,750	1	2540	Long-term borrowings (Notes (6)(k), (7) and (8))	84,797,353	14	69,210,404	14
1550	Investments accounted for using equity method (Note (6)(f) and (8))	1,807,241	-	1,786,090	-	2570	Deferred tax liabilities (Note 6(o))	3,005,005	1	2,578,605	1
						2580	Non-current lease liabilities (Note (6)(m) and (7))	3,272,489	1	2,668,312	1
1600	Property, plant and equipment (Notes (6)(g), (7) and (8))	44,043,357	7	34,476,923	7	2600	Other non-current liabilities (Note (6)(n))	6,330,063	1	7,269,508	1
1755	Right-of-use assets (Notes(6)(h) and (7))	4,197,210	1	3,599,096	1			117,276,908	20	99,024,153	20
1780	Intangible assets (Note (6)(i))	97,776	-	75,308	-	Total Liabilities					
1840	Deferred tax assets (Note (6)(o))	4,121,825	1	3,428,945	1			493,344,964	83	423,399,839	85
1930	Long-term accounts receivable, net (Notes (6)(d), (7) and (8))	94,146,913	16	82,026,218	16	Equity attributable to owners of the Company : (Note (6)(p))					
1995	Other non-current assets (Notes (7) and (8))	1,789,570	-	1,071,359	-	3110	Ordinary share	13,813,280	3	13,282,000	3
		155,339,412	26	130,220,643	26	3120	Preferred share	1,500,000	-	-	-
						3200	Capital surplus	30,883,964	5	17,379,467	4
						3320	Special reserve	3,283,275	1	2,095,945	-
						3350	Unappropriated retained earnings	49,322,515	8	40,287,825	8
						3400	Other equity items	(3,307,294)	(1)	(3,283,275)	(1)
							Total equity attributable to owners of the Company	95,495,740	16	69,761,962	14
						36XX	Non-controlling interests	4,483,130	1	4,176,058	1
							Total equity	99,978,870	17	73,938,020	15
TOTAL ASSETS		\$ 593,323,834	100	497,337,859	100	TOTAL LIABILITIES AND EQUITY		\$ 593,323,834	100	497,337,859	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME**

For the Years Ended December 31, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31,			
		2020		2019	
		Amount	%	Amount	%
	<b>Operating revenues: (Note (7))</b>				
4111	Sales revenue	\$ 4,210,818	7	12,916,446	22
4810	Interest revenue - installment sales	10,880,685	18	9,542,085	16
4820	Interest revenue - capital leases	20,718,562	35	17,392,662	29
4300	Rental revenue - operating leases	3,820,500	6	3,383,399	6
4230	Interest revenue - loans	5,065,606	9	4,657,584	8
4240	Other interest revenue	6,270,379	11	4,984,254	8
4881	Other operating revenue	8,511,209	14	6,255,802	11
		<u>59,477,759</u>	<u>100</u>	<u>59,132,232</u>	<u>100</u>
	<b>Operating costs: (Note (7))</b>				
5111	Cost of sales	2,268,549	4	10,663,601	18
5240	Interest expense	8,937,992	15	7,971,686	14
5300	Cost of rental revenue	2,679,246	4	2,389,994	4
5800	Other operating costs	2,881,238	5	2,462,771	4
		<u>16,767,025</u>	<u>28</u>	<u>23,488,052</u>	<u>40</u>
	<b>Gross profit from operation</b>	42,710,734	72	35,644,180	60
6400	<b>Operating expenses (Note (7))</b>	12,290,324	21	11,069,596	19
6450	<b>Expected credit loss (Note (6)(d))</b>	7,123,450	12	4,267,311	7
6500	<b>Net other income and expenses (Note (6)(s))</b>	378,926	1	454,404	1
	<b>Operating profit</b>	<u>23,675,886</u>	<u>40</u>	<u>20,761,677</u>	<u>35</u>
	<b>Non-operating income and expenses:</b>				
7100	Interest income	217,503	-	131,685	-
7130	Dividend income	47,268	-	17,376	-
7020	Other gains and losses (Note (6)(t) and (7))	753,364	1	611,348	1
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method (Note (6)(f))	(28,527)	-	225,243	-
		<u>989,608</u>	<u>1</u>	<u>985,652</u>	<u>1</u>
7900	<b>Profit before income tax</b>	24,665,494	41	21,747,329	36
7950	Less: Income tax expenses (Note (6) (o))	7,127,073	12	5,649,770	10
	<b>Profit for the period</b>	<u>17,538,421</u>	<u>29</u>	<u>16,097,559</u>	<u>26</u>
	<b>Other comprehensive income (loss):</b>				
8310	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>				
8311	Losses on remeasurements of defined benefit plans	4,223	-	(153,068)	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(78,337)	-	(34,723)	-
8349	Less: Income tax related to components that will not be reclassified to profit or loss (Note (6)(o))	845	-	(30,613)	-
	<b>Total components of other comprehensive income that will not be reclassified to profit or loss</b>	<u>(74,959)</u>	<u>-</u>	<u>(157,178)</u>	<u>-</u>
8360	<b>Components of other comprehensive income (loss) that will be reclassified to profit or loss</b>				
8361	Exchange differences on translation	(570,370)	(1)	(1,413,497)	(2)
8368	Gains (loss) on hedging instrument	326,829	1	370,622	1
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	38,148	-	3,760	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(o))	(71,454)	-	(13,034)	-
	<b>Total components of other comprehensive income that will be reclassified to profit or loss</b>	<u>(133,939)</u>	<u>-</u>	<u>(1,026,081)</u>	<u>(1)</u>
	<b>Other comprehensive income (net of tax)</b>	<u>(208,898)</u>	<u>-</u>	<u>(1,183,259)</u>	<u>(1)</u>
8500	<b>Total comprehensive income for the period</b>	<u>\$ 17,329,523</u>	<u>29</u>	<u>14,914,300</u>	<u>25</u>
	<b>Profit attributable to:</b>				
8610	Owners of the Company	\$ 16,857,199	28	15,468,812	25
8620	Non-controlling interests	681,222	1	628,747	1
		<u>\$ 17,538,421</u>	<u>29</u>	<u>16,097,559</u>	<u>26</u>
	<b>Comprehensive income attributable to:</b>				
8710	Owners of the Company	\$ 16,839,001	28	14,159,744	24
8720	Non-controlling interests	490,522	1	754,556	1
		<u>\$ 17,329,523</u>	<u>29</u>	<u>14,914,300</u>	<u>25</u>
9750	<b>Basic earnings per share (NT dollars) (Note (6)(q))</b>	<u>\$ 12.20</u>		<u>11.20</u>	

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



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHAILLEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**For the Years Ended December 31, 2020 and 2019**  
**(Amounts Expressed in Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of the Company					Other Equity Items					Non-controlling interests	Total equity
	Share Capital		Retained Earnings		Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total equity attributable to owners of the Company				
	Ordinary share	Preferred share	Capital surplus	Special reserve					Unappropriated retained earnings			
Balance at January 1, 2019	\$ 12,895,146	-	17,367,796	1,397,823	31,649,405	(1,716,802)	(184,517)	(194,626)	61,214,225	2,848,874	64,063,099	
Effects of retrospective application	-	-	-	-	(207,717)	-	-	-	(207,717)	-	(207,717)	
Equity at beginning of period after adjustments	12,895,146	-	17,367,796	1,397,823	31,441,688	(1,716,802)	(184,517)	(194,626)	61,006,508	2,848,874	63,855,382	
Profit for the year ended December 31, 2019	-	-	-	-	15,468,812	-	-	-	15,468,812	628,747	16,097,559	
Other comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	(122,455)	(1,522,512)	(34,723)	370,622	(1,309,068)	125,809	(1,183,259)	
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	15,346,357	(1,522,512)	(34,723)	370,622	14,159,744	754,556	14,914,300	
Earnings distribution and appropriation:												
Special reserve appropriated	-	-	-	698,122	(698,122)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(5,415,961)	-	-	-	(5,415,961)	-	(5,415,961)	
Stock dividends of ordinary share	386,854	-	-	-	(386,854)	-	-	-	-	-	-	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	572,628	572,628	
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	717	-	(717)	-	-	-	-	
Effects on the long-term equity investment not recognized based on shareholding ratios	-	-	11,671	-	-	-	-	-	11,671	-	11,671	
Balance at December 31, 2019	13,282,000	-	17,379,467	2,095,945	40,287,825	(3,239,314)	(219,957)	175,996	69,761,962	4,176,058	73,938,020	
Profit (loss) for the year ended December 31, 2020	-	-	-	-	16,857,199	-	-	-	16,857,199	681,222	17,538,421	
Other comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	5,821	(272,511)	(78,337)	326,829	(18,198)	(190,700)	(208,898)	
Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	16,863,020	(272,511)	(78,337)	326,829	16,839,001	490,522	17,329,523	
Appropriation and distribution of retained earnings:												
Special reserve appropriated	-	-	-	1,187,330	(1,187,330)	-	-	-	-	-	-	
Cash dividends of ordinary share	-	-	-	-	(6,109,720)	-	-	-	(6,109,720)	-	(6,109,720)	
Stock dividends of ordinary share	531,280	-	-	-	(531,280)	-	-	-	-	-	-	
Other changes in capital surplus	-	-	623	-	-	-	-	-	623	-	623	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(183,450)	(183,450)	
Issuance of preferred shares	-	1,500,000	13,489,161	-	-	-	-	-	14,989,161	-	14,989,161	
Effects on the long-term equity investment not recognized based on shareholding ratios	-	-	14,713	-	-	-	-	-	14,713	-	14,713	
Balance at December 31, 2020	\$ 13,813,280	1,500,000	30,883,964	3,283,275	49,322,515	(3,511,825)	(298,294)	502,825	95,495,740	4,483,130	99,978,870	

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**CHALEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**For the Years Ended December 31, 2020 and 2019**

**(Amounts Expressed in Thousands of New Taiwan Dollars)**

	For the years ended December 31,	
	2020	2019
<b>Cash flows from operating activities:</b>		
Profit before tax	\$ 24,665,494	21,747,329
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	4,404,909	3,672,396
Amortization expense	175,369	176,623
Expected credit loss	7,123,450	4,267,311
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	4,301	(38,643)
Interest expense	8,991,038	8,020,229
Interest income	(43,152,735)	(36,708,270)
Dividend income	(47,268)	(17,376)
Share of loss (gain) of associates and joint ventures accounted for using equity method	28,527	(225,243)
Gain on disposal of property, plant and equipment	(135,394)	(98,986)
Loss on disposal of foreclosed assets	193,424	159,054
Impairment loss on non-financial assets	323,887	265,895
Effect of changes in lease contract	(529)	(862)
<b>Total adjustments to reconcile profit</b>	<b>(22,091,021)</b>	<b>(20,527,872)</b>
<b>Changes in operating assets and liabilities:</b>		
Changes in operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	(538,434)	726,320
Increase in accounts receivable	(74,585,211)	(85,942,338)
Decrease (increase) in other current financial assets	3,316,424	(3,872,238)
Increase in other current assets	(2,563,023)	(1,406,859)
Proceeds from sales of operating lease assets and operating equipment	1,371,745	1,169,026
Purchase of operating lease assets and operating equipment	(14,803,213)	(13,001,641)
Increase in other operating assets	(893,986)	(263,978)
<b>Total changes in operating assets</b>	<b>(88,695,698)</b>	<b>(102,591,708)</b>
Changes in operating liabilities:		
Increase in accounts and notes payable	180,382	2,430,210
Increase in long term and short-term debts	356,236,368	380,044,224
Repayment of long term and short-term debts	(296,032,240)	(308,841,270)
Increase in other current financial liabilities	9,348,849	9,288,469
(Decrease) increase in accrued pension liabilities	(9,617)	56,527
Increase in other current liabilities	1,031,050	2,275,561
(Decrease) increase in other non-current operating liabilities	(877,337)	1,556,331
<b>Total changes in operating liabilities</b>	<b>69,877,455</b>	<b>86,810,052</b>
<b>Total changes in operating assets and liabilities</b>	<b>(18,818,243)</b>	<b>(15,781,656)</b>
<b>Total adjustments</b>	<b>(40,909,264)</b>	<b>(36,309,528)</b>
Cash flows used in operations	(16,243,770)	(14,562,199)
Interest received	42,866,159	36,344,402
Dividends received	47,268	17,376
Interest paid	(8,890,226)	(7,862,491)
Income taxes paid	(6,321,469)	(5,419,774)
<b>Net cash flows provided by operating activities</b>	<b>11,457,962</b>	<b>8,517,314</b>
<b>Cash flows from investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(10,000)	(40,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	53,531
Acquisition of financial assets at amortized cost	(16,137,947)	(8,953,899)
Proceeds from disposal of financial assets at amortized cost	11,008,860	7,655,610
Acquisition of investments accounted for using equity method	(202,218)	(313,784)
Proceeds from capital reduction of investments accounted for using equity method	1,165	-
Acquisition of property, plant and equipment	(179,652)	(249,099)
Proceeds from disposal of property, plant and equipment	98,371	126,604
Acquisition of intangible assets	(8,938)	(866)
Proceeds from disposal of foreclosed assets	67,842	114,363
Acquisition of right-of-use assets	(12,346)	(166,129)
Proceeds from disposal of right-of-use assets	20,841	180,405
<b>Net cash flows used in investing activities</b>	<b>(5,354,022)</b>	<b>(1,593,264)</b>
<b>Cash flows from financing activities:</b>		
Distribution of cash dividend	(6,109,712)	(5,415,915)
Increase capital in cash	14,989,161	-
Change in non-controlling interests	(183,450)	572,628
Payment of lease liabilities	(600,074)	(548,869)
Other financing activities	623	-
<b>Net cash flows provided by (used in) financing activities</b>	<b>8,096,548</b>	<b>(5,392,156)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(64,229)</b>	<b>(436,879)</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,136,259</b>	<b>1,095,015</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>18,660,546</b>	<b>17,565,531</b>
<b>Cash and cash equivalents at end of period</b>	<b>\$ 32,796,805</b>	<b>18,660,546</b>

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

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**(1) Company history**

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

The Company and its subsidiaries ( “the Group”) were engaged primarily in providing various services of leasing and financing.

**(2) Approval date and procedures of the consolidated financial statements**

The consolidated financial statements were reported to and approved for issue by the Board of Directors on March 25, 2021.

**(3) New standards, amendments and interpretations adopted:**

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. (“FSC”) which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2020:

- Amendments to IFRS 3 “Definition of a Business”
- Amendments to IFRS 9, IAS39 and IFRS7 “Interest Rate Benchmark Reform”
- Amendments to IAS 1 and IAS 8 “Definition of Material”
- Amendments to IFRS 16 “COVID-19-Related Rent Concessions”

- (b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2021, would not have a significant impact on its consolidated financial statements:

- Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”
- Amendments to IFRS 9, IAS39, IFRS7, IFRS 4 and IFRS 16 “Interest Rate Benchmark Reform—Phase 2”

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- (c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The following new and amended standards, which may be relevant to the Group, have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	<p>The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of balance sheet, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.</p> <p>The amendments include clarifying the classification requirements for debt a company might settle by converting it into equity.</p>	January 1, 2023

The Group is evaluating the impact of its initial adoption of the abovementioned standards or interpretations on its consolidated financial position and consolidated financial performance. The results thereof will be disclosed when the Group completes its evaluation.

The Group does not expect the following other new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “Insurance Contracts” and amendments to IFRS 17 “Insurance Contracts”
- Amendments to IAS 16 “Property, Plant and Equipment – Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts – Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018-2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”
- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”

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**(4) Summary of significant accounting policies**

The significant accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as the Regulations) and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(b) Basis of preparation

1. Basis of measurement

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

- 1) Financial assets at fair value through profit or loss are measured at fair value;
- 2) Fair value through other comprehensive income are measured at fair value;
- 3) Hedge financial instruments are measured at fair value;
- 4) The defined benefit liabilities (assets) are measured at fair value of plan assets, less the present value of the defined benefit obligation, limited as explained in Note 4(n).

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. Unless otherwise specified, 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 consolidated financial statements

The consolidated financial statements comprise the Company and its subsidiaries. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from Intra-group transactions, are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

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. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

**2. List of subsidiaries in the consolidated financial statements**

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio		Note
			2020.12.31	2019.12.31	
The Company	Chalease International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	
"	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	
"	Chalease International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	
"	Chalease International Company (Hong Kong) Limited	Investment	100.00 %	100.00 %	
"	Chalease International Financial Services (Liberia) Corp.	Leasing	100.00 %	100.00 %	
"	Chalease International Financial Services (Labuan) Co., Ltd.	Leasing	100.00 %	100.00 %	
"	Chalease International Fortune Corp. (Liberia)	Leasing	100.00 %	-	% The Company invested in this subsidiary on July 6, 2020.
"	Chalease International Financial Services (Singapore) Pte. Ltd.	Financing	100.00 %	-	% The Company acquired the subsidiary from My Leasing (Mauritius) Corp. on October 27, 2020.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio		Note
			2020.12.31	2019.12.31	
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chalease International Finance Corporation	Leasing	97.89 %	97.85 %	
"	Chalease International Financial Services (Singapore) Pte. Ltd.	Financing	- %	100.00 %	My Leasing (Mauritius) Corp. disposed all of its shares in this subsidiary to the Company on October 27, 2020.
My Leasing (Mauritius) Corp. and Chalease International Finance Corporation	Chalease Finance International Corp.	Leasing	100.00 %	100.00 %	
Chalease International Finance Corporation	Chalease International Corp.	Trading	100.00 %	100.00 %	
"	Jirong Real Estate Co., Ltd.	House property leasing and management	100.00 %	100.00 %	
"	Chalease International Commercial Factoring Corporation	Factoring	100.00 %	- %	Chalease International Finance Corporation invested in this subsidiary on April 10, 2020.
Chalease International Company (Malaysia) Limited	Chalease International (B.V.I.) Corp.	Investment	- %	100.00 %	Chalease International (B.V.I.) Corp. was liquidated on April 14, 2020.
"	Chalease International Company (UK) Limited	Consulting, aircraft leasing and investment	100.00 %	100.00 %	
"	Chalease Berjaya Credit Sdn. Bhd.	Installment sales	70.00 %	70.00 %	
"	Chalease Royal Leasing Plc.	Leasing	60.00 %	60.00 %	
"	Chalease Berjaya Finance Corporation	Leasing and financing	63.08 %	60.00 %	
"	Chalease Royal Finance Plc.	Financing	60.00 %	60.00 %	
"	Chalease Capital (Thailand) Co., Ltd. (Former name: Chalease JLK Capital Co., Ltd.)	Investment	49.00 %	- %	Chalease International Company (Malaysia) Limited invested in this subsidiary on January 22, 2020. The subsidiary changed its name on July 23, 2020.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio		Note
			2020.12.31	2019.12.31	
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	
Chailease International Company (Hong Kong) Limited	PT Chailease Indonesia Finance (Former name: PT Chailease Indosurye Finance)	Financing	75.00 %	75.00 %	Chailease International Company (Hong Kong) Limited invested in this subsidiary on October 14, 2019. The subsidiary changed its name on July 22, 2020.
"	Chailease Management Consulting Co., Limited	Consulting	100.00 %	- %	Chailease International Company (Hong Kong) Limited invested in this subsidiary on February 12, 2020.
Chailease Berjaya Credit Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	
"	Chailease Services Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	100.00 %	100.00 %	
"	Chailease Specialty Finance Co., Ltd.	Installment sales	100.00 %	100.00 %	
"	My Leasing (B.V.I.) Corp.	Investment	- %	100.00 %	My Leasing (B.V.I.) Corp. has reduced its capital and returned its entire all shares on September 1, 2020, with the liquidation process still in progress .
Chailease International Company (Malaysia) Limited, Chailease Capital (Thailand) Co., Ltd. and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	49.99 %	48.18 %	Please refer to Note (5) for the detailed disclosure of the judgment regarding the control of Asia SermKij Leasing Public Co., Ltd.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Company, Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	
"	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	
"	Chailease International Trading Company Limited (Vietnam)	Trading	100.00 %	100.00 %	
"	Chailease Auto Rental Co., Ltd.	Leasing	100.00 %	100.00 %	



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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio		Note
			2020.12.31	2019.12.31	
Chailase Finance Co., Ltd.	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	- %	100.00 %	The subsidiary was merged by Chailase Consumer Finance Co., Ltd. on June 15, 2020.
"	Chailase Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	
"	Chailase Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	100.00 %	
"	Chailase Finance Securitization Trust 2016	Special Purpose Entity	- %	- %	The subsidiary was established on August 24, 2016, and was terminated on October 23, 2020. (Note a)
"	Chailase Finance Securitization Trust 2019	Special Purpose Entity	- %	- %	The subsidiary was established on December 11, 2019. (Note a)
"	Yun Tang Inc.	Solar Power business	100.00 %	100.00 %	
"	Chailase Energy Integration Co., Ltd.	Solar Power business	100.00 %	100.00 %	
"	Chailase Power Technology Co., Ltd.	Solar Power business	100.00 %	100.00 %	
"	Chung Cheng Energy Integration Co., Ltd.	Solar Power business	100.00 %	100.00 %	
"	Ho Lien Energy Integration Co., Ltd.	Solar Power business	100.00 %	100.00 %	
"	Tai Yuan Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	Chailase Finance Co., Ltd. invested in this subsidiary on January 9, 2020.
"	Chung Ho Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	The subsidiary was established on April 9, 2020.
"	Chung Yen Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	The subsidiary was established on April 15, 2020.
"	Tung Feng Inc.	Solar Power business	100.00 %	- %	Chailase Finance Co., Ltd. invested in this subsidiary on June 1, 2020.
"	He To Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	The subsidiary was established on November 2, 2020.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio		Note
			2020.12.31	2019.12.31	
Chailease Finance Co., Ltd.	Chung Yu Energy Integration Co., Ltd.	Solar Power business	100.00 %	-	% The subsidiary was established on November 2, 2020.
"	Jung Yu Energy Integration Co., Ltd.	Solar Power business	100.00 %	-	% The subsidiary was established on November 3, 2020.
"	Chung Wei Energy Integration Co., Ltd.	Solar Power business	100.00 %	-	% The subsidiary was established on November 2, 2020.
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd.	Factoring, trading-in, management, and valuation on accounts receivable; installment sales; financial instrument	100.00 %	100.00 %	
"	Chailease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	
The Company and Chailease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Financing leasing, real estate, and mortgage	100.00 %	100.00 %	
Chailease Consumer Finance Co., Ltd. and Chailease Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	
Chailease Specialty Finance Co., Ltd. and Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	
"	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	
"	SK Insurance Broker Co., Ltd.	Insurance brokers	100.00 %	100.00 %	

Note a: For purposes of trading and investment, the Group set up a number of special purpose entities (SPE) in which it does not have any direct or indirect shareholding.

These SPEs are consolidated if the substance of the Group's relationship with the SPEs and the assessment of their risks and rewards, disclosed that the Group has control over the SPEs. The control of an SPE by the Group may exists if:

- (i) the Group has power over the SPE;
- (ii) the Group has exposure, or rights, to variable returns from its involvement with the SPE;
- (iii) the Group has ability to use its power over to affect the amount of the SPE's returns.

3. List of subsidiaries which are not included in the consolidated financial statements: None.

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**(d) Foreign Currencies**

**1.Foreign currency transactions**

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Nonmonetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 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 that the hedges are effective.

**2.Foreign operations**

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at average exchange rate. Exchange differences are recognized in other comprehensive income.

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 disposes 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 disposed of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income.

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(e) Classification of current and non-current 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 intended to be 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 or a 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.

An entity shall classify a liability as current when:

1. It is expected to be 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. The Group 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 comprises cash on hand and demand deposit. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

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

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

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**1. Financial assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

**1) Financial assets measured at amortized cost**

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

**2) Fair value through other comprehensive income (FVOCI )**

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

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Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

**3) Fair value through profit or loss (FVTPL)**

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets. Trade receivables that the Group intends to sell immediately or in the near term are measured at FVTPL; however, they are included in the 'trade receivables' line item. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

**4) Business model assessment**

The Group makes an assessment of the objective of the business model in which a financial asset is held at portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, and are consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

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5) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group’s claim to cash flows from specified assets (e.g. non-recourse features).

6) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and trade receivable, other receivable, leases receivable, guarantee deposit paid and other financial assets), debt investments measured at FVOCI.

The Group measures loss allowances at an amount equal to lifetime expected credit loss (ECL), except for the following which are measured as 12-month ECL:

- accounts receivables and debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECL is the maximum contractual period over which the Group is exposed to credit risk.



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When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls. (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or delay of payments;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

**7) Derecognition of financial assets**

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.



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The Group enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

**2. Financial liabilities and equity instruments**

**1) Classification of debt or equity**

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

**2) Equity instrument**

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

**3) Financial liabilities**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

**4) Derecognition of financial liabilities**

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

**3. Derivative financial instruments and hedge accounting**

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Group designates certain hedging instruments (which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk) as either fair value hedges, cash flow hedges, or hedges of net investments in foreign operations. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

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At inception of designated hedging relationships, the Group documents the risk management objective and strategy for undertaking the hedge. The Group also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

**1) Fair value hedges**

The fair value change on qualifying hedging instruments is recognized in profit or loss except when the hedging instrument hedges an equity instrument designated at FVOCI in which case it is recognized in other comprehensive income.

The carrying amount of a hedged item not already measured at fair value is adjusted for the fair value change attributable to the hedged risk with a corresponding entry in profit or loss. For debt instruments measured at FVOCI, the carrying amount is not adjusted as it is already at fair value, but the hedging gain or loss is recognized in profit or loss instead of other comprehensive income. When the hedged item is an equity instrument designated at FVOCI, the hedging gain or loss remains in other comprehensive income to match that of the hedging instrument.

Where hedging gains or losses are recognized in profit or loss, they are recognized in the same line as the hedged item.

**2) Cash flow hedges**

The effective portion of changes in the fair value of derivatives and other qualifying hedging instruments that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under ‘other equity — gains (losses) on hedging instruments’, limited to the cumulative change in fair value of the hedged item from inception of the hedge. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

The Group designates the changes in fair value of the spot element of the cross currency swap and interest rate swap as the hedging instrument in cash flow hedging relationships. The change in fair value of the forward element of the forward exchange contracts is separately accounted for as a cost of hedging and accumulated in a separate component within equity.

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss, in the same line as the recognized hedged item. However, when the hedged forecast transaction results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously recognized in other comprehensive income and accumulated in equity are removed from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability. Furthermore, if the Group expects that some or all of the loss accumulated in other equity will not be recovered in the future, that amount is immediately reclassified to profit or loss.

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If the hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. The discontinuation is accounted for prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains in equity until, for a hedge of a transaction resulting in the recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss. If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

**3) Hedge of a net investment in a foreign operation**

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the foreign currency forward contracts relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated in 'other equity —gains (losses) on hedging instruments'. The gain or loss relating to the ineffective portion is recognized immediately in profit or loss.

Gains and losses on the hedging instrument accumulated in other equity are reclassified to profit or loss on the disposal or partial disposal of the foreign operation.

**(h) Investment in associates**

Associates are those entities in which the Group has significant influence, but not control or joint control, over their financial and operating policies.

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 the 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 those associates, after adjustments to align their accounting policies with those of the Group, from the date on which significant influence commences until the date on which significant influence ceases. The Group recognizes any changes of its proportionate share in the investee within capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual significant influence.

Gains and losses resulting from transactions between the Group and an associate are recognized only to the extent of unrelated Group's interests in the associate.

When the Group's share of losses of an associate equals or exceeds its interests in an associate, it discontinues recognizing its share of further losses. After the recognized interest is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

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(i) Property, plant, and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

2. Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

3. Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings	20 years~ 60 years
2) Transportation equipment	3 years~ 6 years
3) Miscellaneous equipment	4 years~ 28 years
4) Assets held for lease	1 year~ 12 years
5) Leasehold improvements	5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(j) Leases

1. Identifying a lease

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

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- 1) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) The customer has the right to direct the use of the asset throughout the period of use only if either:
  - The customer has the right to direct how and for what purpose the asset is used throughout the period of use; or
  - The relevant decisions about how and for what purpose the asset is used are predetermined and:
    - the customer has the right to operate the asset throughout the period of use, without the supplier having the right to change those operating instructions; or
    - the customer designed the asset in a way that predetermines how and for what purpose it will be used throughout the period of use.

**2.As a lessee**

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- 1) Fixed payments, including in-substance fixed payments;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

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- 3) Amounts expected to be payable under a residual value guarantee; and
- 4) Payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- 1) There is a change in future lease payments arising from the change in an index or rate; or
- 2) There is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or
- 3) There is charge in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying assets, or
- 4) There is a change of its assessment on whether it will exercise a extension or termination option; or
- 5) There is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**3. As a lessor**

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

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When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies IFRS15 to allocate the consideration in the contract.

The Group recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The interest income is recognized over the lease term based on a pattern reflecting a constant periodic rate of return on the net investment in the lease. The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'Rental revenue-operating leases'.

**(k) Intangible assets**

**1.Recognition and measurement**

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Other intangible assets are acquired by the Group and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

**2.Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

**3.Amortization**

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**(l) Impairment of non-financial assets**

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.



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For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(m) Revenue**

**1. Sales revenue**

Sales revenue is recognized when the control of the product has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the product, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

The Group engaged in the business of solar power generation. The Group signed several contracts with Taiwan Power Company selling electric power. All contracts will expire 20 years after the date those generators have been paralleled and the related power electric revenues have been recognized.

**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.



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**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 is 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.

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(n) Employee benefits

1. Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

2. Defined benefit plans

The Group's net obligation in respect of defined benefit plans is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of the plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognized asset is limited to 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. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income, and accumulated in retained earnings within equity. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Group recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

(o) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

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Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

1. the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date, and are reduced to the extent that it is no longer probable that the related tax benefits will be realized; such reductions are reversed when the probability of future taxable profits improves.

**(p) Business combination**

The Company accounts for business combinations using the acquisition method. The goodwill arising from an acquisition is measured as the excess of (i) the consideration transferred (which is generally measured at fair value) and (ii) the amount of non-controlling interest in the acquiree, both over the identifiable net assets acquired at the acquisition date. If the amount calculated above is a deficit balance, the Company recognized that amount as a gain on a bargain purchase in profit or loss immediately after reassessing whether it has correctly identified all of the assets acquired and all of the liabilities assumed.

All acquisition-related transaction costs are expensed as incurred, except for the issuance of debt or equity instruments.

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For each business combination, the Group measures any non-controlling interests in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets, if the non-controlling interests are present ownership interests and entitle their holders to a proportionate share of the Group's net assets in the event of liquidation. Other components of non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by the IFRSs endorsed by the FSC.

(q) Earnings per share

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

(r) 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 assumptions and judgments, and major sources of estimation uncertainty**

The preparation of the consolidated financial statements in conformity with the IFRSs endorsed by the 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 management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

(a) Judgment regarding control of subsidiaries

Although the Company's ownership was lower than 50% of the subsidiary's outstanding shares, the subsidiary was consolidated. This is because the other 50.01% ownership was dispersed and no evidence of joint policy making agreement among those stockholders. Also, the low participation rate of other shareholders in past shareholders' meetings indicates that the Company owns the actual power to control.

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**(b) Financial asset and liability classification**

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

- (i) Financial assets are designated as fair value through profit or loss, if they meet the criteria for being classified as assets as set out in accounting policy disclosure Note 4(g).
- (ii) Financial assets are designated as fair value through other comprehensive income, if they met the criteria for being classified as assets as set out in accounting policy disclosure Note 4(g).
- (iii) Financial assets are designated as amortized cost, if they met the criteria for being as assets as set out in accounting policy disclosure Note 4(g).

**(c) Securitizations**

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

- (i) If the Group, in substance, controls 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.
- (ii) If the Group has transferred financial assets to another entity, but has 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.
- (iii) If the Group transfers substantially all the risk and rewards relating to the transferred assets to an entity that it does not control, the assets are derecognized from the Group's consolidated balance sheet.

Details of the Group's securitization activities are discussed under the accounting policy disclosure Note 6(d).

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows:

**(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 judgment in making assumptions and estimations when calculating loan and receivables impairment allowances on both individually and collectively assessed loans and receivables.

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

All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics. The current methodology used for impairment assessment is subject to estimation of uncertainty, because it is not practicable to identify losses individually due to the large number of insignificant loans in the portfolio. In addition, the statistical analyses of historical information is supplemented with significant judgment 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 behavioral conditions such that the most recent trends in the portfolio risk factors are not fully reflected in the statistical models of impairment assessment. In these circumstances, such factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment allowances derived solely from historical loss experience.

This key area of judgment 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 judgment 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 reviews 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.



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The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes 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) Valuation Process

The Group's accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss.

The Group's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. This financial instrument valuation group also periodically adjusts valuation models, conducts back-testing, renews input data for valuation models, and makes all other necessary fair value adjustments to assure the rationality of fair value. The Group strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

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

·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).

·Level 3: inputs for the assets or liability that are not based on observable market data.

Please refer to notes listed below for the assumptions used in measuring fair value Note (6)(u), Financial instruments.

**(6) Explanation to Significant Accounts**

(a) Cash and cash equivalents

	<b>2020.12.31</b>	<b>2019.12.31</b>
Cash and bank deposits	\$ 31,662,725	17,504,337
Time deposits	784,080	725,720
Cash equivalents-repurchase bills	<u>350,000</u>	<u>430,489</u>
Cash and cash equivalents in consolidated statements of cash flows	<b><u>\$ 32,796,805</u></b>	<b><u>18,660,546</u></b>

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

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(b) Financial instruments

1.The components of financial assets were as follows :

	<u>2020.12.31</u>	<u>2019.12.31</u>
Financial assets designated at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss :		
Securities of listed companies	\$ 194,363	232,178
Private equity	480	480
Non-hedging derivatives	560,479	-
Convertible bonds	75,096	68,685
Convertible preferred stocks	<u>19,025</u>	<u>19,234</u>
Sub-total	<u>849,443</u>	<u>320,577</u>
Financial assets at fair value through other comprehensive income		
Securities of listed companies	693,793	774,491
Emerging stock	4,261	3,515
Private equity	<u>130,307</u>	<u>121,029</u>
Sub-total	<u>828,361</u>	<u>899,035</u>
Financial assets measured at amortized cost		
Investment in debt securities	<u>18,697,957</u>	<u>13,568,869</u>
Current financial assets for hedging	<u>118,697</u>	<u>465,101</u>
Total	<u><u>\$ 20,494,458</u></u>	<u><u>15,253,582</u></u>

1.Investments in equity instruments measured at fair value through other comprehensive income

These investments in equity instruments are held for long-term strategic purpose and therefore are accounted for as financial assets at fair value through other comprehensive income.

2.Financial assets measured at amortized cost

The Group purchased debt securities issued by real estate asset trust. These debt securities have maturity dates between 2021 and 2024, and bear effective annual interest rates ranging from 2.75%~7.50%.

3.Please refer to Note (6)(u) for information regarding credit risk and market risk.



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(c) Derivative instruments used for hedging

As of December 31, 2020 and 2019, the Group held derivative instruments qualified for hedge accounting as follows:

Cross currency swap contracts:

		<b>2020.12.31</b>			
	<b>Nominal Amount</b>	<b>Currency</b>	<b>Interest Rate Payable</b>	<b>Interest Rate Receivable</b>	<b>Contract Period</b>
USD	12,000	USD to MYR	4.83%	90 Day LIBOR+ 1.35%	2019.03.20~
MYR	48,960				2022.03.21
USD	20,000	USD to MYR	3.28%	90 Day LIBOR+ 1.5%	2020.09.10~
MYR	83,600				2023.09.10
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
USD	50,000	USD to CNY	4.21%	90 Day LIBOR+ 1.4%	2019.06.17~
CNY	345,500				2022.06.17
USD	50,000	USD to CNY	4.20%	90 Day LIBOR+ 1.4%	2019.07.15~
CNY	344,375				2022.07.15
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.19~
CNY	352,650				2022.08.19
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.26~
CNY	352,650				2022.08.26
USD	60,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2020.01.13~
CNY	418,200				2023.01.13
USD	60,000	USD to CNY	3.98%	90 Day LIBOR+ 1.4%	2020.02.18~
CNY	418,800				2023.02.17
USD	60,000	USD to CNY	3.88%	90 Day LIBOR+ 1.4%	2020.08.12~
CNY	417,900				2023.08.11
USD	60,000	USD to CNY	3.78%	90 Day LIBOR+ 1.4%	2020.09.14~
CNY	414,300				2023.09.14
USD	60,000	USD to CNY	3.78%	90 Day LIBOR+ 1.4%	2020.09.21~
CNY	413,400				2023.09.21
USD	50,000	USD to CNY	6.35%	3.75%	2020.10.22~
CNY	327,500				2023.10.22
USD	50,000	USD to CNY	6.35%	3.75%	2020.10.22~
CNY	327,000				2023.10.22

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		<b>2020.12.31</b>			
	<b>Nominal Amount</b>	<b>Currency</b>	<b>Interest Rate Payable</b>	<b>Interest Rate Receivable</b>	<b>Contract Period</b>
USD	50,000	USD to CNY	6.35%	3.75%	2020.10.22~
CNY	327,500				2023.10.22
USD	50,000	USD to CNY	6.30%	3.75%	2020.10.22~
CNY	326,890				2023.10.22
USD	50,000	USD to CNY	5.90%	3.75%	2020.10.22~
CNY	327,000				2021.10.22
USD	50,000	USD to CNY	6.05%	3.75%	2020.10.22~
CNY	327,550				2023.10.22
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23
JPY	8,000,000	JPY to CNY	3.68%	90 Day LIBOR+ 1%	2020.07.16~
CNY	524,400				2023.05.26
HKD	400,000	HKD to CNY	4.34%	90 Day HIBOR+ 1.4%	2019.11.25~
CNY	359,120				2022.11.25
HKD	300,000	HKD to CNY	4.16%	90 Day HIBOR+ 1.4%	2019.11.27~
CNY	269,400				2022.11.28
HKD	300,000	HKD to CNY	4.36%	90 Day HIBOR+ 1.4%	2019.12.09~
CNY	270,842				2022.12.09
USD	30,000	USD to VND	3.45%	90 Day LIBOR+ 1.3%	2020.12.23~
VND	693,900,000				2021.03.22

Forward exchange contracts:

		<b>2020.12.31</b>		
		<b>Amount</b>	<b>Currency</b>	<b>Contract period</b>
Forward exchange purchased	USD	2,000	USD to VND	2020.10.27~2021.10.26
Forward exchange purchased	USD	3,000	USD to VND	2020.10.29~2021.10.28
Forward exchange purchased	USD	5,000	USD to VND	2020.11.27~2021.11.26
Forward exchange purchased	USD	5,000	USD to VND	2020.11.30~2021.11.30
Forward exchange purchased	USD	3,000	USD to VND	2020.12.11~2021.12.10

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		<b>2019.12.31</b>			
	<b>Nominal Amount</b>	<b>Currency</b>	<b>Interest Rate Payable</b>	<b>Interest Rate Receivable</b>	<b>Contract Period</b>
USD	4,760	USD to MYR	4.83%	90 Day LIBOR+ 1.4%	2018.06.04~
MYR	18,969				2020.03.02
USD	12,000	USD to MYR	4.83%	90 Day LIBOR+ 1.35%	2019.03.20~
MYR	48,960				2022.03.21
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
USD	50,000	USD to CNY	4.21%	90 Day LIBOR+ 1.4%	2019.06.17~
CNY	345,500				2022.06.17
USD	50,000	USD to CNY	4.20%	90 Day LIBOR+ 1.4%	2019.07.15~
CNY	344,375				2022.07.15
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.19~
CNY	352,650				2022.08.19
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.26~
CNY	352,650				2022.08.26
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23
HKD	400,000	HKD to CNY	4.34%	90 Day HIBOR+ 1.4%	2019.11.25~
CNY	359,120				2022.11.25
HKD	300,000	HKD to CNY	4.16%	90 Day HIBOR+ 1.4%	2019.11.27~
CNY	269,400				2022.11.28
HKD	300,000	HKD to CNY	4.36%	90 Day HIBOR+ 1.4%	2019.12.09~
CNY	270,842				2022.12.09

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**1. Cash flow hedge**

Subsidiaries entered into cross currency swap contract with a bank to hedge future cash flow out of foreign currency loans.

<b>Hedged item</b>	<b>Hedge Instrument</b>	<b>Fair Value</b>		<b>Expected Cash flow Period</b>	<b>Hedge Period</b>
		<b>2020.12.31</b>	<b>2019.12.31</b>		
USD loans, JPY loans and HKD loans	Cross Currency Swap	\$ 118,697	465,101	2017~2022	2017~2022
USD loans, JPY loans and HKD loans	Cross Currency Swap	(1,400,121)	(42,730)	2018~2023	2018~2023
<b>Item</b>		<b>For the years ended December 31,</b>			
		<b>2020</b>	<b>2019</b>		
The fair value adjustment to other comprehensive income		\$ <b>(50,099)</b>	<b>129,715</b>		

The Group uses the forward exchange contracts as its strategy to hedge its estimated foreign currency exposure in respect of forecasted purchases over the following twelve months. The amounts related to the items designated as hedging instruments at the reporting date were as follows:

<b>2020.12.31</b>	<b>Contract amount</b>		<b>Currency</b>	<b>Maturity period</b>	<b>Average strike price</b>	<b>Hedge ineffectiveness recognized in profit or loss</b>
Forward exchange purchased (USD loans)	USD	2,000	USD to VND	2020.10.27~2021.10.26	23,175	-
Forward exchange purchased (USD loans)	USD	3,000	USD to VND	2020.10.29~2021.10.28	23,179	-
Forward exchange purchased (USD loans)	USD	5,000	USD to VND	2020.11.27~2021.11.26	23,155	-
Forward exchange purchased (USD loans)	USD	5,000	USD to VND	2020.11.30~2021.11.30	23,135	-
Forward exchange purchased (USD loans)	USD	3,000	USD to VND	200.12.11~2021.12.10	23,128	-

The amounts at the reporting date related to the items designated as hedged items were as follows:

<b>2020.12.31</b>	<b>Cash flow hedge reserve (Continuing hedges)</b>
USD loans	\$ <b>(1,999)</b>

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The impact of the amounts related to hedging instruments on other comprehensive income was as follows:

	<b>For the year ended December 31, 2020</b>
	<b>Forward exchange purchased (USD loans)</b>
Amount reclassified from hedge reserve to profit or loss:	
Amounts of hedging gains or losses recognized in other comprehensive income	\$ <u><u>(757)</u></u>

**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 were as follows:

<b>Designated Hedging Instrument</b>		<b>Fair Value</b>	
<b>Hedged Item</b>	<b>Hedge Instrument</b>	<b>2020.12.31</b>	<b>2019.12.31</b>
Equity investment measured in USD	Foreign currency borrowings	\$ <u><u>4,642,240</u></u>	<u><u>7,405,060</u></u>

  

<b>Item</b>	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
The fair value adjustment to other comprehensive income	\$ <u><u>377,685</u></u>	<u><u>240,907</u></u>

There were no effects of ineffectiveness recognized in profit or loss that arises from hedges of net investments in foreign operation, Golden Bridge (B.V.I.) Corp., for the years ended December 31, 2020 and 2019.

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(d) Accounts receivable, net

	<u>2020.12.31</u>	<u>2019.12.31</u>
<b>Current</b>		
Accounts receivable	\$ 38,200,736	32,248,866
Less: Allowance for impairment	<u>(825,456)</u>	<u>(801,482)</u>
	37,375,280	31,447,384
Installment sales receivable	104,004,087	96,199,615
Less: Unearned interests	<u>(11,486,888)</u>	<u>(9,730,301)</u>
Allowance for impairment	<u>(2,795,997)</u>	<u>(2,455,081)</u>
	89,721,202	84,014,233
Leases receivable (included operating leases)	211,623,740	173,598,276
Less: Unearned revenue	<u>(26,191,570)</u>	<u>(21,791,362)</u>
Allowance for impairment	<u>(4,817,747)</u>	<u>(3,643,773)</u>
	180,614,423	148,163,141
Loans receivable	69,194,739	59,546,532
Less: Allowance for impairment	<u>(1,186,622)</u>	<u>(985,002)</u>
	68,008,117	58,561,530
<b>Sub-total of current accounts</b>	<u>375,719,022</u>	<u>322,186,288</u>
<b>Non-Current</b>		
Accounts receivable	21,458,701	17,171,744
Less: Allowance for impairment	<u>(301,211)</u>	<u>(264,062)</u>
	21,157,490	16,907,682
Installment sales receivable	59,445,199	53,784,629
Less: Unearned interests	<u>(6,972,077)</u>	<u>(6,541,589)</u>
Allowance for impairment	<u>(1,659,279)</u>	<u>(1,503,960)</u>
	50,813,843	45,739,080
Leases receivable	11,170,057	10,304,722
Less: Unearned revenue	<u>(1,076,883)</u>	<u>(1,012,452)</u>
Allowance for impairment	<u>(88,591)</u>	<u>(198,273)</u>
	10,004,583	9,093,997
Loans receivable	12,643,660	10,672,172
Less: Allowance for impairment	<u>(472,663)</u>	<u>(386,713)</u>
	12,170,997	10,285,459
<b>Sub-total of non-current accounts</b>	<u>94,146,913</u>	<u>82,026,218</u>
<b>Total accounts receivable</b>	<u><u>\$ 469,865,935</u></u>	<u><u>404,212,506</u></u>

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

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Opening balance	\$ 10,238,346	9,847,823
Impairment loss recognized	7,123,450	4,267,311
Bad debts written off	(5,148,842)	(3,789,662)
Effect of exchange rate changes	(65,388)	(87,126)
Ending balance	<b>\$ 12,147,566</b>	<b>10,238,346</b>

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).
3. A maturity analysis of capital lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Less than one year	\$ 116,121,025	93,847,529
One to two years	74,003,429	58,125,912
Two to three years	25,892,968	25,838,772
Three to four years	4,686,402	3,970,599
Four to five years	1,334,055	1,655,270
More than five years	579,369	317,217
Gross investment in the leases	222,617,248	183,755,299
Unearned revenue	(27,268,453)	(22,803,814)
Present value of minimum leases receivable	<b>\$ 195,348,795</b>	<b>160,951,485</b>

The Group entered into several electricity procurement agreements with Taiwan Power Company (Please refer to Note (9) for details of these agreements). Under these agreements, the electric power produced will be only sold to Taiwan Power Company from the day the power plants are put into commercial operation. The average lease term is approximately twenty years. The electricity procurement agreements are not applicable IFRIC4 "Determining whether an arrangement contains a Lease" under the new standard from January 1, 2019.

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

	<b>Gross investment in the installment sales</b>	<b>Unearned interests</b>	<b>Present value of installment sales receivable</b>
December 31, 2020			
Within operating cycle	\$ 104,004,087	(11,486,888)	92,517,199
Beyond one operating cycle to 5 years	56,962,087	(6,697,063)	50,265,024
Beyond 5 years	2,483,112	(275,014)	2,208,098
	<b>\$ 163,449,286</b>	<b>(18,458,965)</b>	<b>144,990,321</b>
December 31, 2019			
Within operating cycle	\$ 96,199,615	(9,730,301)	86,469,314
Beyond one operating cycle to 5 years	51,060,927	(6,200,971)	44,859,956
Beyond 5 years	2,723,702	(340,618)	2,383,084
	<b>\$ 149,984,244</b>	<b>(16,271,890)</b>	<b>133,712,354</b>

5. 2016 Securitization

In 2016, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, fund loaning and capital leases receivable, with an aggregate carrying amount of \$4,973,789. 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 \$4,093,200 in cash from issuing these beneficiary certificates. Because the Group acquired all of the subordinated beneficiary certificates, the Group had control over the SPEs. The SPEs are classified as "Investments accounted under equity method". The Group's downstream transactions are eliminated by the difference between the following two amounts.

- 1) The amount received from disposal of financial assets.
- 2) Adjusted book value of disposed financial assets.

The SPEs trusts are included in the consolidated financial statements and recognized as liabilities for cash obtained from issuing these beneficiary certificates.

On September 24, 2020, the special purpose trust, with the beneficiary certificate grades of twAAA and twA, has been fully redeemed. As the process of its liquidation was completed on October 21, 2020, the Group received the amount of \$431,622 from the return of subordinated certificates resulting in the special purpose entity to be dissolved, and the combination suspended.

On November 23, 2020, the Group signed a contract for the purpose of debts with special purpose trust entity, and purchased the receivables from special purpose individuals for a total price of \$540,391.



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**6. 2019 Securitization**

In 2019, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, fund loaning and capital leases receivable, with an aggregate carrying amount of \$5,330,149. 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 \$4,285,000 in cash from issuing these beneficiary certificates. Because the Group acquired all of the subordinated beneficiary certificates, the Group had control over the SPEs. The SPEs are classified as "Investments accounted under equity method". The Group's downstream transactions are eliminated by the difference between the following two amounts.

- 1) The amount received from disposal of financial assets.
- 2) Adjusted book value of disposed financial assets.

The SPEs trusts are included in the consolidated financial statements and recognized as liabilities for cash obtained from issuing these beneficiary certificates.

These beneficiary certificates are redeemable for the period from December 11, 2019 to December 11, 2026. Specific terms and conditions of the beneficiary certificates are as follows:

<b>Class of beneficiary certificates issued</b>	<b>Order of principal repayment</b>	<b>Issue amount /par value</b>	<b>Issue price</b>	<b>Interest rate</b>	<b>Payment frequency</b>
twAAA	1st	3,840,000	3,840,000	1.30 %	Monthly
twA	2nd	445,000	445,000	1.70 %	Monthly
Subordinated	3rd	1,045,149	1,242,765	None	Monthly

**(e) Other current assets**

	<b>2020.12.31</b>	<b>2019.12.31</b>
Prepayments	\$ 5,337,878	3,578,867
Prepaid expenses	3,107,963	2,444,645
Foreclosed assets	127,189	227,621
Others	11,727	7,778
	<b>\$ 8,584,757</b>	<b>6,258,911</b>

As of December 31, 2020 and 2019, foreclosed assets held by the Group were as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Foreclosed assets	\$ 186,139	287,047
Less: Accumulated impairment	(58,950)	(59,426)
	<b>\$ 127,189</b>	<b>227,621</b>

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For the years ended December 31, 2020 and 2019, the Group recognized an impairment loss of \$2,695 and gain of \$19,532, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and a disposal loss of \$193,424 and \$159,054 for the years ended December 31, 2020 and 2019, respectively.

(f) Investments accounted under equity method

1. The financial information of individually non-significant equity method associates included in the consolidated financial statements was as follows:

	<u>2020.12.31</u>	<u>2019.12.31</u>
Investments in associates	\$ <u>1,807,241</u>	<u>1,786,090</u>
	<u><b>For the years ended December 31,</b></u>	
	<u><b>2020</b></u>	<u><b>2019</b></u>
Comprehensive income attributable to the Group		
Gain (loss) for the period	\$ (28,527)	225,243
Other comprehensive income	<u>38,148</u>	<u>3,760</u>
Total comprehensive income	\$ <u><u>9,621</u></u>	<u><u>229,003</u></u>

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group as of and for the years ended December 31, 2020 and 2019, were as follows:

	<u>Land and buildings</u>	<u>Transportation equipment</u>	<u>Machinery and miscellaneous equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2020	\$ 2,901,960	12,977,026	26,888,279	235,263	43,002,528
Additions	14,297	5,446,586	9,498,693	23,289	14,982,865
Disposals	(7,821)	(3,071,150)	(714,579)	(6,846)	(3,800,396)
Effect of movements in exchange rate	<u>16,085</u>	<u>(71,990)</u>	<u>(20,456)</u>	<u>3,245</u>	<u>(73,116)</u>
Balance at December 31, 2020	\$ <u><u>2,924,521</u></u>	<u><u>15,280,472</u></u>	<u><u>35,651,937</u></u>	<u><u>254,951</u></u>	<u><u>54,111,881</u></u>
Balance at January 1, 2019	\$ 2,940,418	11,878,781	1,710,588	189,261	16,719,048
Effects of retrospective application	-	-	16,568,910	-	16,568,910
Additions	8,163	3,904,816	9,285,699	52,062	13,250,740
Disposals	-	(2,780,813)	(680,982)	(4,431)	(3,466,226)
Effect of movements in exchange rate	<u>(46,621)</u>	<u>(25,758)</u>	<u>4,064</u>	<u>(1,629)</u>	<u>(69,944)</u>
Balance at December 31, 2019	\$ <u><u>2,901,960</u></u>	<u><u>12,977,026</u></u>	<u><u>26,888,279</u></u>	<u><u>235,263</u></u>	<u><u>43,002,528</u></u>

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	<b>Land and buildings</b>	<b>Transportation equipment</b>	<b>Machinery and miscellaneous equipment</b>	<b>Leasehold improvements</b>	<b>Total</b>
Depreciation and impairment losses:					
Balance at January 1, 2020	\$ 642,249	4,926,997	2,792,858	163,501	8,525,605
Depreciation	52,907	2,409,544	1,270,959	24,396	3,757,806
Impairment loss	-	281,726	39,466	-	321,192
Disposals	(70)	(2,079,061)	(379,697)	(6,846)	(2,465,674)
Effect of movements in exchange rate	2,903	(43,910)	(34,475)	5,077	(70,405)
Balance at December 31, 2020	<u><u>\$ 697,989</u></u>	<u><u>5,495,296</u></u>	<u><u>3,689,111</u></u>	<u><u>186,128</u></u>	<u><u>10,068,524</u></u>
Balance at January 1, 2019	\$ 594,863	4,418,460	1,207,996	148,428	6,369,747
Effects of retrospective application	-	-	1,014,796	-	1,014,796
Depreciation	54,488	2,149,467	924,945	16,633	3,145,533
Impairment loss	-	236,939	48,488	-	285,427
Disposals	-	(1,862,089)	(406,655)	(838)	(2,269,582)
Effect of movements in exchange rate	(7,102)	(15,780)	3,288	(722)	(20,316)
Balance at December 31, 2019	<u><u>\$ 642,249</u></u>	<u><u>4,926,997</u></u>	<u><u>2,792,858</u></u>	<u><u>163,501</u></u>	<u><u>8,525,605</u></u>
Carrying amounts:					
Balance at December 31, 2020	<u><u>\$ 2,226,532</u></u>	<u><u>9,785,176</u></u>	<u><u>31,962,826</u></u>	<u><u>68,823</u></u>	<u><u>44,043,357</u></u>
Balance at January 1, 2019	<u><u>\$ 2,345,555</u></u>	<u><u>7,460,321</u></u>	<u><u>502,592</u></u>	<u><u>40,833</u></u>	<u><u>10,349,301</u></u>
Balance at December 31, 2019	<u><u>\$ 2,259,711</u></u>	<u><u>8,050,029</u></u>	<u><u>24,095,421</u></u>	<u><u>71,762</u></u>	<u><u>34,476,923</u></u>

Recognition and reversal of impairment losses were charged to the cost of rental revenue.

For the impairment test of its leasing asset, management estimated the recoverable amount based on its value in use, which was determined by using the cost of capital 1.01%~5.71% and 1.18%~5.71% for the years ended December 31, 2020 and 2019, respectively, to reflect the specific risk associated with its cash generating units.

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).

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**(h) Right-of-use assets**

The Group leases many assets including land and buildings and transportation equipment. Information about leases for which the Group as a lessee is presented below:

	<b>Land and buildings</b>	<b>Transportation equipment</b>	<b>Total</b>
Cost:			
Balance as of January 1, 2020	\$ 4,023,828	133,517	4,157,345
Additions	1,388,078	37,959	1,426,037
Disposal and termination of contract prior to maturity	(422,981)	(21,157)	(444,138)
Effect of changes in foreign exchange rates	(7,515)	2,084	(5,431)
Balance as of December 31, 2020	<u><u>\$ 4,981,410</u></u>	<u><u>152,403</u></u>	<u><u>5,133,813</u></u>
Balance as of January 1, 2019	\$ 2,793,602	86,122	2,879,724
Disposal and termination of contract prior to maturity	(1,200,837)	(3,761)	(1,204,598)
Additions	2,448,076	55,904	2,503,980
Effect of changes in foreign exchange rates	(17,013)	(4,748)	(21,761)
Balance as of December 31, 2019	<u><u>\$ 4,023,828</u></u>	<u><u>133,517</u></u>	<u><u>4,157,345</u></u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2020	\$ 513,934	44,315	558,249
Depreciation	592,455	54,648	647,103
Disposal and termination of contract prior to maturity	(247,883)	(21,153)	(269,036)
Effect of changes in foreign exchange rates	(1,145)	1,432	287
Balance as of December 31, 2020	<u><u>\$ 857,361</u></u>	<u><u>79,242</u></u>	<u><u>936,603</u></u>
Balance as of January 1, 2019	\$ 728,391	-	728,391
Depreciation	479,872	46,991	526,863
Disposal and termination of contract prior to maturity	(690,712)	(1,021)	(691,733)
Effect of changes in foreign exchange rates	(3,617)	(1,655)	(5,272)
Balance as of December 31, 2019	<u><u>\$ 513,934</u></u>	<u><u>44,315</u></u>	<u><u>558,249</u></u>
Carrying amount:			
Balance as of December 31, 2020	<u><u>\$ 4,124,049</u></u>	<u><u>73,161</u></u>	<u><u>4,197,210</u></u>
Balance as of January 1, 2019	<u><u>\$ 2,065,211</u></u>	<u><u>86,122</u></u>	<u><u>2,151,333</u></u>
Balance as of December 31, 2019	<u><u>\$ 3,509,894</u></u>	<u><u>89,202</u></u>	<u><u>3,599,096</u></u>

The Group leases offices under an operating lease, please refer to Note (6)(n).

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(i) Intangible assets

The costs of intangible assets and amortization of the Group as of and for the years ended December 31, 2020 and 2019, were as follows:

	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
Cost:			
Balance at January 1, 2020	\$ 60,761	61,361	122,122
Additions	19,406	8,620	28,026
Effect of movements in exchange rate	<u>(261)</u>	<u>(2,834)</u>	<u>(3,095)</u>
Balance at December 31, 2020	\$ <u><b>79,906</b></u>	<u><b>67,147</b></u>	<u><b>147,053</b></u>
Balance at January 1, 2019	\$ 61,111	55,358	116,469
Additions	-	3,634	3,634
Effect of movements in exchange rate	<u>(350)</u>	<u>2,369</u>	<u>2,019</u>
Balance at December 31, 2019	\$ <u><b>60,761</b></u>	<u><b>61,361</b></u>	<u><b>122,122</b></u>
Amortization and impairment losses:			
Balance at January 1, 2020	\$ 60	46,754	46,814
Amortization for the year	-	4,477	4,477
Effect of movements in exchange rate	<u>-</u>	<u>(2,014)</u>	<u>(2,014)</u>
Balance at December 31, 2020	\$ <u><b>60</b></u>	<u><b>49,217</b></u>	<u><b>49,277</b></u>
Balance at January 1, 2019	\$ 60	40,663	40,723
Amortization for the year	-	4,120	4,120
Effect of movements in exchange rate	<u>-</u>	<u>1,971</u>	<u>1,971</u>
Balance at December 31, 2019	\$ <u><b>60</b></u>	<u><b>46,754</b></u>	<u><b>46,814</b></u>
Carrying amounts:			
Balance at December 31, 2020	\$ <u><b>79,846</b></u>	<u><b>17,930</b></u>	<u><b>97,776</b></u>
Balance at January 1, 2019	\$ <u><b>61,051</b></u>	<u><b>14,695</b></u>	<u><b>75,746</b></u>
Balance at December 31, 2019	\$ <u><b>60,701</b></u>	<u><b>14,607</b></u>	<u><b>75,308</b></u>

For the years ended December 31, 2020 and 2019, the amortization of intangible assets amounted to \$4,477 and \$4,120, respectively. This amortization was accounted for as operating expense of the consolidated statement of comprehensive income.

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(j) Short-term notes and bills payable

The Group's short-term notes and bills payable were as follows:

<b>2020.12.31</b>			
	<b>Guarantee or Acceptance Agency</b>	<b>Annual Interest Rate</b>	<b>Amount</b>
Commercial paper payables	Bank	0.42%~1.06%	\$ 57,600,000
	Bills Finance Company	0.43%~1.19%	26,630,000
Less: Discount on short-term notes and bills payable			(231,293)
Total			<u><u>\$ 83,998,707</u></u>

  

<b>2019.12.31</b>			
	<b>Guarantee or Acceptance Agency</b>	<b>Annual Interest Rate</b>	<b>Amount</b>
Commercial paper payables	Bank	0.75%~1.17%	\$ 47,720,000
	Bills Finance Company	0.74%~1.24%	25,230,000
Less: Discount on short-term notes and bills payable			(277,636)
Total			<u><u>\$ 72,672,364</u></u>

Please refer to Note (8) for the Group's short-term notes and bills payable collateral.

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(k) Long-term and short-term borrowings

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

<b>2020.12.31</b>				
	<b>Currency</b>	<b>Annual Interest Rate</b>	<b>Years of Maturity</b>	<b>Amount</b>
Secured bank loans	TWD	0.79%~1.20%	2023~2025	\$ 525,000
"	USD	1.10%~3.75%	2021~2023	2,113,164
"	THB	1.31%~3.30%	2021~2023	9,330,606
"	CNY	3.39%~6.17%	2021~2029	52,466,869
"	VND	1.50%~3.40%	2021	6,800,748
"	MYR	3.00%~4.00%	2022	2,716,000
Unsecured bank loans	TWD	0.71%~2.11%	2021~2027	111,179,776
"	USD	0.84%~5.50%	2021~2023	42,425,343
"	THB	1.33%~3.25%	2021~2023	18,385,017
"	CNY	3.60%~5.94%	2021~2023	12,875,804
"	EUR	0.65%~1.30%	2021~2023	3,186,807
"	JPY	0.70%~1.37%	2021~2023	5,588,139
"	HKD	1.70%~2.05%	2022	3,696,110
"	SGD	1.41%~1.60%	2021~2022	172,479
"	MYR	3.15%~3.75%	2021	4,617,200
"	PHP	3.20%~6.00%	2021~2022	378,035
"	KHR	4.00%~7.00%	2021	157,353
Unsecured other loans	THB	2.20%~2.30%	2021	1,483,703
Notes payable from securitization	TWD	1.30%~1.70%	2021~2026	4,285,000
"	CNY	4.30%~4.60%	2021	6,149,751
Total				<u><u>\$ 288,532,904</u></u>
Current				\$ 203,735,551
Non-current				<u>84,797,353</u>
Total				<u><u>\$ 288,532,904</u></u>



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<b>2019.12.31</b>				
	<b>Currency</b>	<b>Interest Rate</b>	<b>Years of Maturity</b>	<b>Amount</b>
Secured bank loans	TWD	1.04%	2022	\$ 360,000
"	USD	2.70%~5.75%	2020~2022	15,946,589
"	THB	1.96%~3.15%	2020~2021	8,258,325
"	CNY	4.05%~6.17%	2020~2029	12,037,028
"	VND	3.80%~5.90%	2020	6,768,906
"	MYR	5.00%~5.10%	2020~2022	3,164,850
"	JPY	0.85%	2021	3,216,007
"	HKD	3.75%	2022	3,867,964
Unsecured bank loans	TWD	0.80%~2.11%	2020~2027	86,191,163
"	USD	2.25%~6.60%	2020~2024	29,278,729
"	THB	1.55%~3.25%	2020~2022	8,491,845
"	CNY	4.35%~5.70%	2020~2022	48,522,712
"	EUR	1.20%	2020~2022	2,653,601
"	JPY	1.06%~1.25%	2020	202,886
"	HKD	4.10%~4.32%	2020	107,776
"	SGD	3.95%	2020	155,960
"	MYR	4.40%~4.80%	2020	3,375,840
"	PHP	6.68%~7.76%	2020	488,224
"	AUD	2.65%	2020	231,054
"	KHR	6.50%~7.00%	2020	165,775
Unsecured other loans	THB	1.75%~2.25%	2020	12,167,631
Notes payable from securitization	TWD	1.30%~2.45%	2022~2026	6,508,569
Total				<b>\$ 252,161,434</b>
Current				\$ 182,951,030
Non-current				69,210,404
Total				<b>\$ 252,161,434</b>

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

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**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) The Company, entered into a syndicated credit agreement 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 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, self-owned asset ratio, etc.) Otherwise, the loans are due and payable immediately.
- 3) A subsidiary, Asia Sermkij Leasing Public Co., Ltd., likewise entered into several credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.
- 4) A subsidiary, Grand Pacific Financing Corp. (California), 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 Corporation entered into several credit/loan agreements with financial institutions. Under these agreements, the Company and 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.

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- 8) A subsidiary, Chailease International Corp., entered into several credit/loan agreements with financial institutions. Under these agreements, the Company shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, recovery of account receivable, etc.) Otherwise, the loans are due and payable immediately.
- 9) A subsidiary, Chailease Consumer Finance Co., Ltd., entered into several 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.
- 10) A subsidiary, Chailease International Financial Services Co., Ltd., entered into several credit/loan agreements with financial institutions, under which, Chailease Finance Co., Ltd., shall maintain certain parent only financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.
- 11) A subsidiary, Chailease Berjaya Credit Sdn Bhd., entered into several credit/loan agreements with financial institutions, under which, the Company and Chailease Berjaya Credit Sdn Bhd., shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.
- 12) A subsidiary, Chailease International Financial Services (Singapore) Pte. Ltd. entered into several credit/loan agreements with financial institutions, under which, Chailease Finance Co., Ltd., shall maintain certain financial ratios on balance sheet date. (i.e. interest coverage ratio and tangible net worth ratio, etc.) Otherwise, the loans are due and payable immediately.
- 13) A subsidiary, Chailease Berjaya Finance Corporation, entered into a credit/loan agreement with a financial institution, under which, Chailease Berjaya Finance Corporation shall maintain certain financial ratios on the balance sheet date. (i.e. liabilities ratio, etc.) Otherwise, the loans will be deemed as due and are payable immediately..
- 14) The subsidiaries, Chailease Royal Leasing Plc. and Chailease Royal Finance Plc. entered into several credit/loan agreements with different financial institutions, under which, Chailease Royal Leasing Plc. and Chailease Royal Finance Plc. shall maintain certain financial ratios on the balance sheet date. (i.e. liabilities ratio, non performing asset ratio, etc.) Otherwise, the loans will be deemed as due and are payable immediately.

As of December 31, 2020 and 2019, the Group was in compliance with the financial covenants mentioned above.

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**(1) Bonds payable**

<u>Period</u>	<u>Annual Interest Rate</u>	<u>Principal Amount</u>	<u>Repayment Terms</u>	<u>2020.12.31</u>		<u>Collateral</u>
				<u>Within Operating Cycle</u>	<u>Beyond Operating Cycle</u>	
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	900,000	-	None
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	"	1,350,000	-	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	1,700,000	-	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	1,000,000	-	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000	"	-	700,000	"
2019.05.09~ 2024.05.09	0.980%	2,950,000	"	-	2,950,000	"
2019.05.09~ 2026.05.09	1.150%	500,000	"	-	500,000	"
2019.05.29~ 2024.05.29	0.980%	2,850,000	"	-	2,850,000	"
2020.04.22~ 2025.04.22	0.660%	3,500,000	"	-	3,500,000	"
2020.10.12~ 2027.10.12	0.730%	550,000	"	-	550,000	"
2020.10.12~ 2030.10.12	0.900%	700,000	"	-	700,000	"
2019.07.26~ 2022.07.26	3.150%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	-	477,800	"
2019.08.16~ 2022.08.16	3.150%	THB 200,000	"	-	191,120	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2020.12.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2020.08.28~ 2023.11.28	3.750%	THB 602,500	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	-	575,749	None
2020.08.28~ 2022.08.28	3.250%	THB 721,500	"	-	689,465	"
2020.10.15~ 2021.11.09	2.460%	THB 245,000	"	234,122	-	"
2020.11.13~ 2021.12.03	2.400%	THB 100,000	"	95,560	-	"
2020.12.18~ 2022.12.18	3.250%	THB 416,000	"	-	397,530	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	955,600	-	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	477,800	-	"
2019.01.30~ 2021.02.05	3.000%	THB 290,000	"	277,124	-	"
2019.02.28~ 2022.01.31	3.200%	THB 100,000	"	-	95,560	"
2019.05.17~ 2022.05.17	3.150%	THB 200,000	"	-	191,120	"
2019.06.19~ 2022.06.30	3.150%	THB 270,000	"	-	258,012	"
2019.07.12~ 2021.07.23	2.950%	THB 200,000	"	191,120	-	"
2019.08.08~ 2022.08.08	3.150%	THB 800,000	"	-	764,480	"
2020.02.17~ 2023.02.17	0%	THB 600,000	Payable at par value	-	573,360	"
2020.03.26~ 2023.03.26	0%	THB 500,000	"	-	477,800	"
2020.10.22~ 2023.10.22	3.750%	USD 300,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	8,592,007	-	"
Bonds payable (Gross)				15,773,333	19,941,996	
Discounts on bonds payable				(231)	(69,998)	
				<u><u>\$ 15,773,102</u></u>	<u><u>19,871,998</u></u>	

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Period	Annual Interest Rate	Principal Amount		Repayment Terms	2019.12.31		Collateral
					Within Operating Cycle	Beyond Operating Cycle	
2014.10.30~ 2021.10.30	2.050%	900,000		Payable in lump sum. Interest rate is fixed. Interest is payable annually.	900,000	-	None
2014.10.30~ 2024.10.30	2.300%	1,100,000		"	-	1,100,000	"
2015.06.29~ 2020.06.29	1.550%	3,000,000		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.	1,500,000	-	"
2016.06.28~ 2021.06.28	1.000%	1,350,000		Payable in lump sum. Interest rate is fixed. Interest is payable annually.	1,350,000	-	"
2016.06.28~ 2023.06.28	1.250%	300,000		"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000		"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000		"	-	500,000	"
2017.09.26~ 2020.09.26	1.050%	3,500,000		"	3,500,000	-	"
2017.11.09~ 2022.11.09	1.100%	1,000,000		"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000		"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000		"	-	700,000	"
2019.05.09~ 2024.05.09	0.980%	2,950,000		"	-	2,950,000	"
2019.05.09~ 2026.05.09	1.150%	500,000		"	-	500,000	"
2019.05.29~ 2024.05.29	0.980%	2,850,000		"	-	2,850,000	"
2016.06.28~ 2020.06.29	3.250%	THB	200,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	201,960	-	"
2019.07.26~ 2022.07.26	3.150%	THB	500,000	"	-	504,900	"
2019.08.16~ 2022.08.16	3.150%	THB	200,000	"	-	201,960	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2019.12.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	100,980	-	None
2017.04.27~ 2020.05.15	2.960%	THB 150,000	"	151,470	-	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	"	111,078	-	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	1,514,700	-	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	-	1,009,800	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	-	504,900	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	504,900	-	"
2019.01.30~ 2021.02.05	3.000%	THB 290,000	"	-	292,842	"
2019.02.28~ 2022.01.31	3.200%	THB 100,000	"	-	100,980	"
2019.05.17~ 2022.05.17	3.150%	THB 200,000	"	-	201,960	"
2019.06.19~ 2022.06.30	3.150%	THB 270,000	"	-	272,646	"
2019.07.12~ 2021.07.23	2.950%	THB 200,000	"	-	201,960	"
2019.08.08~ 2022.08.08	3.150%	THB 800,000	"	-	807,840	"
Bonds payable (Gross)				9,835,088	17,299,788	
Discounts on bonds payable				(559)	(2,464)	
				<u>\$ 9,834,529</u>	<u>17,297,324</u>	

**(m) Lease liabilities**

The Group's lease liabilities were as follows:

	2020.12.31	2019.12.31
Current	<u>\$ 949,959</u>	<u>928,133</u>
Non-current	<u>\$ 3,272,489</u>	<u>2,668,312</u>

For the maturity analysis, please refer to Note (6)(u).



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The amounts recognized in profit or loss were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest on lease liabilities	\$ <u>53,046</u>	<u>48,543</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>175,201</u>	<u>104,698</u>
Expenses relating to short-term leases	\$ <u>361,376</u>	<u>346,079</u>

The amounts recognized in the statement of cash flows for the Group were as follows

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Total cash outflow for leases	\$ <u>1,189,697</u>	<u>1,048,189</u>

**1. Real estate leases**

As of December 31, 2020, the Group leases land and buildings for its office and solar power station. The leases of office and solar power station typically run for two to twenty-eight years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

Some leases contain extension options exercisable by the Group. These leases are negotiated and monitored by local management, and accordingly, contain a wide range of different terms and conditions. The extension options held are exercisable only by the Group and not by the lessors. In which lease is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

**2. Other leases**

The Group leases transportation equipment, with lease terms of two to three years.

**(n) Employee benefits**

**1. Defined benefit plans**

The movement in the present value of the defined benefit obligations and fair value of plan assets was as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Present value of benefit obligations	\$ 1,944,324	1,909,829
Fair value of plan assets	<u>(951,831)</u>	<u>(905,713)</u>
Net defined benefit liabilities	\$ <u>992,493</u>	<u>1,004,116</u>

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The Group makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. The plans (covered by the Labor Standards Law) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

1) Composition of plan assets

The Group allocates 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 Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the fund, minimum earnings shall be no less than the earnings attainable from two year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to \$951,831 as of December 31, 2020. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of defined benefit obligations for the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Defined benefit obligations at January 1	\$ 1,909,829	1,643,079
Adjustment at January 1	(83)	-
Current service costs and interest	73,366	74,442
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial losses arising from changes in financial assumptions	20,180	178,188
Benefits paid by the plan	(54,932)	(29,367)
Exchange differences on translation of foreign plans	(4,036)	43,487
Defined benefit obligations at December 31	\$ <u><u>1,944,324</u></u>	<u><u>1,909,829</u></u>

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3) Movements of defined benefit plan assets

The movements in the present value of the defined benefit plan assets for the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Fair value of plan assets at January 1	\$ 905,713	824,265
Adjustment at January 1	(83)	-
Interest income	9,875	11,250
Remeasurement on the net defined benefit liabilities (assets)		
— Actuarial losses arising from changes in financial assumptions	24,403	25,120
Contributions made	74,669	61,488
Benefits paid by the plan	(52,578)	(16,410)
Loss from settlement	(10,168)	-
Fair value of plan assets at December 31	<b>\$ 951,831</b>	<b>905,713</b>

4) Expenses recognized in profit or loss

The expenses recognized in profit or loss of the Group were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Current service costs	\$ 50,937	51,058
Net interest of net liabilities for defined benefit obligations	12,554	12,134
	<b>\$ 63,491</b>	<b>63,192</b>
Operating expenses	<b>\$ 63,491</b>	<b>63,192</b>

5) Actuarial assumptions

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

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Discount rate at December 31	0.63%~1.70%	1.00%~3.10%
Future salary increases	3.00%~5.20%	2.00%~5.50%

The Group is expected allocation payment of \$41,651 to the defined plans for the one year period after the reporting date.

The weighted average duration of the defined benefit obligation is 12.87~20.03 years.

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6) Sensitivity analysis

If the actuarial assumption had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	<b>Influences of defined benefit obligations</b>	
	<b>Increase 0.25%</b>	<b>Decrease 0.25%</b>
December 31, 2020		
Discount rate	(50,881)	49,820
Future salary increases	52,977	(48,194)
December 31, 2019		
Discount rate	(51,640)	53,640
Future salary increases	50,582	(49,015)

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown above. The method used in the sensitivity analysis is consistent with the calculation of pension liabilities in the balance sheets.

There is no change in the method and assumptions used in the preparation of sensitivity analysis for the years ended December 31, 2020 and 2019.

2. Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of the Labor Insurance in accordance with the provisions of the Labor Pension Act for Taiwan subsidiaries. Under this defined contribution plan, the Group allocates a fixed amount to the Bureau of the Labor Insurance without additional legal or constructive obligations. Grand Pacific Holding Corp. also allocates pension expense to the labor pension personal account based on the employees' prior year wages at the specific allocating rate.

The Group's pension costs under the defined contribution method were \$230,042 and \$284,057 for the years ended December 31, 2020 and 2019, respectively. Payment was made to the Bureau of the Labor Insurance and designated account.

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(o) Income taxes

1. Income Tax Expense

The components of income tax expense for the years ended December 31, 2020 and 2019 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Current tax expense		
Current period	\$ 7,227,022	5,544,251
Adjustment for prior periods	<u>8,961</u>	<u>29,873</u>
	<u>7,235,983</u>	<u>5,574,124</u>
Deferred tax expense	<u>(108,910)</u>	<u>75,646</u>
Income tax expense from continuing operations	<u><u>\$ 7,127,073</u></u>	<u><u>5,649,770</u></u>

The components amount of income tax expense (profit) recognized in other comprehensive income for the years ended December 31, 2020 and 2019 were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement actuarial gains from defined benefit plans	<u><u>\$ 845</u></u>	<u><u>(30,613)</u></u>
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	<u><u>\$ (71,454)</u></u>	<u><u>(13,034)</u></u>

The income tax calculated on pre-tax financial income was reconciled to income tax expense (profit) for the years ended December 31, 2020 and 2019 as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Profit before income tax	<u><u>\$ 24,665,494</u></u>	<u><u>21,747,329</u></u>
Income tax calculated on pre-tax financial income at a statutory tax rate applied by subsidiaries	\$ 7,542,923	6,573,274
Tax-exempt income	3,773	(382)
Non-deductible expenses	(468,031)	74,874
Tax incentives	-	(556,725)
Change in temporary differences	39,447	(471,144)
Under provision in prior periods	<u>8,961</u>	<u>29,873</u>
Income tax expense	<u><u>\$ 7,127,073</u></u>	<u><u>5,649,770</u></u>

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**2. Deferred Tax Assets and Liabilities**

**1) Unrecognized Deferred Tax Liabilities**

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2020 and 2019. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Aggregate amount of temporary differences related to investments in subsidiaries	\$ <u><u>7,375,327</u></u>	<u><u>5,875,744</u></u>
Unrecognized deferred tax liabilities	\$ <u><u>1,111,780</u></u>	<u><u>796,618</u></u>

**2) Unrecognized Deferred Tax Assets**

Deferred tax assets have not been recognized in respect of the following items:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Tax effect of deductible temporary differences	\$ 1,064	35,655
Tax losses	<u>37,687</u>	<u>137,411</u>
	\$ <u><u>38,751</u></u>	<u><u>173,066</u></u>

As of December 31, 2020, the expiry years of those loss carry forward benefits were as follows:

<b>Year of loss</b>	<b>Unused amount</b>	<b>Year of expiry</b>
2011	\$ 414,965	2021&2031
2012	228,135	2022&2032
2013	51,649	2023&2033
2014	16,726	2024&2034
2015	1,555	2025
2016	125	2026
2017	134	2022&2027
2018	93	2023&2028
2019	390	2029
2020	3,758	2030

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3) Recognized Deferred Tax Assets and Liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2020 and 2019 were as follows:

	<b>Defined Benefit Plans</b>	<b>Unrealized gain on investment income</b>	<b>Others</b>	<b>Total</b>
<b>Deferred Tax Liabilities:</b>				
Balance at January 1, 2020	\$ 1,738	2,430,678	146,189	2,578,605
Recognized in profit or loss	(1,738)	418,467	87,528	504,257
Effect in exchange rate	-	(77,849)	(8)	(77,857)
Balance at December 31, 2020	<u>\$ -</u>	<u>2,771,296</u>	<u>233,709</u>	<u>3,005,005</u>
Balance at January 1, 2019	\$ 956	2,431,380	710	2,433,046
Adjustment on initial application of IFRS16	-	-	81,945	81,945
Balance at January 1, 2019 after adjustments	956	2,431,380	82,655	2,514,991
Recognized in profit or loss	304	26,277	63,535	90,116
Recognized in other comprehensive income	478	-	-	478
Effect in exchange rate	-	(26,979)	(1)	(26,980)
Balance at December 31, 2019	<u>\$ 1,738</u>	<u>2,430,678</u>	<u>146,189</u>	<u>2,578,605</u>
	<b>Defined Benefit Plans</b>	<b>Loss on uncollectible account</b>	<b>Others</b>	<b>Total</b>
<b>Deferred Tax Assets:</b>				
Balance at January 1, 2020	\$ 204,482	2,682,254	542,209	3,428,945
Recognized in profit or loss	(2,601)	552,136	63,632	613,167
Recognized in other comprehensive income	(845)	-	71,454	70,609
Effect in exchange rate	(1,476)	20,289	(9,709)	9,104
Balance at December 31, 2020	<u>\$ 199,560</u>	<u>3,254,679</u>	<u>667,586</u>	<u>4,121,825</u>



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	<b>Defined Benefit Plans</b>	<b>Unrealized gain on investment income</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2019	\$ 167,580	2,957,927	235,039	3,360,546
Adjustment on initial application of IFRS16	-	-	75,184	75,184
Balance at January 1, 2019 after adjustments	167,580	2,957,927	310,223	3,435,730
Recognized in profit or loss	4,563	(218,808)	228,715	14,470
Recognized in other comprehensive income	31,091	-	13,034	44,125
Effect in exchange rate	1,248	(56,865)	(9,763)	(65,380)
Balance at December 31, 2019	<u>\$ 204,482</u>	<u>2,682,254</u>	<u>542,209</u>	<u>3,428,945</u>

(p) Share capital and other equity accounts

1. Share capital

- 1) As of December 31, 2020 and 2019, the Company's authorized capital consisted of 2,500,000 thousand shares and 1,500,000 thousand shares with a par value of \$10 (NT dollars) per share, which includes common stock and preferred stock. As of December 31, 2020 and 2019, the issued common shares worth \$13,813,280 and \$13,282,000, respectively, and issued Series A Preferred Shares worth \$1,500,000 and \$0, respectively. All the issued shares were fully paid, and the preferred shares were recognized as equity.

Due to the capital needs for future development (including operating capital, investing in the subsidiaries and repaying bank loans...etc.) 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 receipts (GDRs) overseas on August 10, 2017, and the offering was approved by the Financial Supervisory Commission (FSC) on September 27, 2017. As of October 17, 2017, these global depositary receipts were priced at US\$12.28 per unit, and the Company issued 125,000,000 common shares of stock from the conversion of 25,000,000 units of global depositary receipts. Each unit of global depositary receipts represents 5 common shares of stock. The Company has listed global depositary receipts on the Euro multilateral trading facility market (Euro MTF market) of the Luxembourg Stock Exchange.

Due to the capital needs for investing in 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 GDRs overseas, and the offering was approved by the Financial Supervisory Commission (FSC) on August 3, 2012. As of October 9, 2012, these GDRs were priced at US\$8.59 per unit, and the Company issued 120,000,000 common shares of stock from the conversion of 24,000,000 units of GDRs. Each unit of GDRs represents 5 common shares of stock. As of December 31, 2020 and 2019, the Company has listed 160,880 and 835,692 units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. Major terms and conditions for GDRs were as follows:

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**A. Exercise of voting rights**

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.

**B. 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) Issuance of preferred shares**

The shareholders' meeting has approved the amended Articles of Incorporation on rights and obligations of preferred shares on May 27, 2020. The Board of Directors approved the details issuing Series A Preferred Shares on July 29, 2020. The Company issued 150,000 thousand Series A Preferred Shares with a par value of \$10 per share, which amounted to \$15,000,000. The capital injection was approved by Financial Supervisory Commission R.O.C. (Taiwan). The subscription date was September 7, 2020. All the share price of the issued shares have been received and all issued shares were registered and recognized as equity.

The rights and obligations of Series A Preferred Shares Issuance are listed as follows:

**A. Due date: Perpetual,**

**B. Dividends:** 3.8% per annum for Series A Preferred Shares (5-year IRS 0.5625%+3.2375%) calculated pursuant to issue price per share. Interest rate per annum will be reset on the day after the 5th anniversary of the issue date ("Issue Date") and the day after each subsequent 5-year period hereafter. The pricing base date shall be the first previous business day for financial institutions in Taipei. Record date for interest reset shall be the second previous business day for financial institutions in Taipei. The 5-year IRS rate shall be the arithmetic mean of 5-year IRS quotations as published by Reuter, TAIFXIRS and COSMOS3 at 11:00 a.m. of the day of the pricing base date and reset record date (must be a business day for Taipei's financial institutions). If the above quotations cannot be obtained on reset record date, interest rate shall be decided by the issuer in good faith and taken into account of reasonable market rate;

**C. Dividend Distributions:** Cash dividends shall be distributed annually at one time. Once the Company's audited financial reports have been acknowledged in the annual general meeting, the Board of Directors shall set the record date for the distribution of Preferred Dividends of such financial year. Dividend distribution for the years of issuance and redemption shall be calculated pursuant to actual outstanding days of the given year;

**D. Upon the final settlement of the Company's annual accounts, if there are profits, the Company shall set aside out of the profits for each financial year: (i) a reserve for payment of tax for the relevant financial year; (ii) an amount to offset losses incurred in previous years; and (iii) a special surplus reserve as required by the applicable securities authority under the Applicable Public Company Rules, and the remaining profits shall be allocated first as the dividends of the Series A Preferred Shares ("Preferred Dividends") payable in such financial year;**

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- E. The Company has sole discretion on the distribution of Series A Preferred Dividends. In the event that there are no profits or insufficient profits for distributing Preferred Dividends, or due to other necessary considerations, the suspension of distributing Preferred Dividends shall not be deemed as an event of default under any agreements and directions in relation to the issuance of such Preferred Shares;
- F. The Series A Preferred Shares issued by the Company shall be non-cumulative preferred shares. Any undistributed Preferred Dividends or shortfalls in Preferred Dividends distributed shall not be cumulative and shall cease to accrue and be payable, therefore no deferred payment will be paid in subsequent years where there are earnings;
- G. Excess Dividends Distribution: Except for the foregoing Preferred Dividends, the holders of the Series A Preferred Shares ("Preferred Shareholders") are not entitled to participate in the distribution of cash or stock dividends derived from earnings or capital reserves;
- H. Priority of Claims in liquidation: Upon any voluntary or involuntary liquidation, dissolution or winding-up of the Company, any surplus assets of the Company available for distribution to Series A Preferred Shareholders shall be first distributed to the Series A Preferred Shareholders. All Preferred Shareholders shall rank pari passu and such distribution shall be capped at the respective issue amount;
- I. Voting Rights and Election right: The Series A Preferred Shareholders shall have no voting rights and no rights to vote on election of directors in a general meeting. Notwithstanding the foregoing, the Series A Preferred Shareholders shall have voting rights in a separate meeting of the Series A Preferred Shares;
- J. Conversion right: Series A Preferred Shares are not convertible to ordinary shares;
- K. Redemption of preferred shares: The Series A Preferred Shareholders have no right to request the Company to redeem the preferred shares they hold; Notwithstanding the foregoing, subject to compliance with the Companies Law, the Company may, upon the approval by the Board of Directors, redeem all or a part of the outstanding issued Series A Preferred Shares, at any time on the next business day after five years of issuance, at the original issue price and on such terms as the Board of Directors may approve. The rights and obligations set forth in the foregoing paragraphs shall remain unchanged to the unredeemed Series A Preferred Shareholders.

**2.Capital surplus**

The components of capital surplus were as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Share capital	\$ 30,852,945	17,363,784
Changes in equity of associates and joint ventures accounted for using equity method	30,396	15,683
Others	623	-
	<b>\$ 30,883,964</b>	<b>17,379,467</b>

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**3. Retained earnings**

According to the Articles of Association, the Company is required to appropriate earnings every accounting year. The after-tax earnings are initially used to offset cumulative losses, and then a special reserve and preferred dividends are appropriated from the remainder. Without necessarily violating the Cayman Islands Companies Law, the Company is able to retain reasonable amount of earnings for Company development. Dividends of at least 25% of such annual profit of which cash dividends shall not be less than 30% of the total amount of dividends.

**1) Special reserve**

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

**2) Earnings distribution**

During the shareholders' meetings on May 27, 2020 and May 24, 2019, the shareholders resolved to distribute the 2019 and 2018 earnings. These earnings were appropriated as follows:

	<b>2019</b>		<b>2018</b>	
	<b>Dividend per share (\$)</b>	<b>Amount</b>	<b>Dividend per share (\$)</b>	<b>Amount</b>
Dividends distributed to common shareholders				
Cash	\$ 4.60	6,109,720	4.20	5,415,961
Stock	0.40	<u>531,280</u>	0.30	<u>386,854</u>
Total		<b><u>\$ 6,641,000</u></b>		<b><u>5,802,815</u></b>

The information on prior year's distribution of the Company's earnings would be available at the Market Observation Post System Website.

On March 25, 2021, the Group's Board of Directors resolved to appropriate the 2020 earnings as follows:

	<b>2020</b>	
	<b>Amount per share (\$)</b>	<b>Total amount</b>
Dividends distributed to ordinary shareholders		
Cash	\$ 5.00	6,906,640
Stock	0.50	<u>690,664</u>
Total		<b><u>\$ 7,597,304</u></b>

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	<b>2020</b>	
	<b>Amount per share (\$)</b>	<b>Total amount</b>
Dividends distributed to preferred shareholders		
Series A Preferred Shares		\$ <u><u>181,151</u></u>

As of March 25, 2021, the abovementioned 2020 earnings appropriation has yet to be approved by the stockholders.

**(q) Earnings per share**

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

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Profit attributable to common stockholders of the Company	\$ <u><u>16,857,199</u></u>	<u><u>15,468,812</u></u>
Weighted average number of ordinary shares	<u><u>1,381,328</u></u>	<u><u>1,381,328</u></u>
Weighted average number of ordinary shares (Diluted)	<u><u>1,381,349</u></u>	<u><u>1,381,347</u></u>

Note: Potential ordinary shares have no dilutive effects.

**(r) Employee and board of directors compensation**

According to the Articles of Association, if there are surplus profits, the annual surplus profits shall be allocated in accordance with the following sequence and manner; however, if the Company has accumulated losses, such accumulated losses shall first be offset against the annual profits:

- a) Between 0.01% and 1% of the surplus profits before tax of each financial years as employees' compensation;
- b) Not to exceed 0.1% of the surplus profits before tax of each financial year as directors' compensation.

For the years ended December 31, 2020 and 2019, the Company estimated its employees' remuneration amounting to \$2,532 and \$2,320, and directors' remuneration amounting to \$16,846 and \$15,389, respectively. These estimated amounts were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2020 and 2019. The amounts, as stated in the condensed interim consolidated financial statements, are identical to those of the actual distributions for 2020 and 2019. Related information would be available at the Market Observation Post System website.

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(s) Net other income and expenses

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

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Net losses on disposal of foreclosed assets	\$ (193,424)	(159,054)
Net impairment (losses) gains on foreclosed assets	(2,695)	19,532
Gain on doubtful debt recoveries	575,136	588,179
Effect of changes in lease contract	(93)	-
Others	<u>2</u>	<u>5,747</u>
	<b><u>\$ 378,926</u></b>	<b><u>454,404</u></b>

(t) Other gains and losses

The components of other gains and losses were as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Interest on lease liabilities	\$ (53,046)	(48,543)
Net foreign exchange (losses) gains	16,893	(109,859)
Net (losses) gains on disposal of property, plant and equipment	(1,292)	(1,874)
Net (losses) gains on valuation of financial assets measured at fair value through profit or loss	(4,301)	38,643
Effect of changes in lease contract	622	862
Others	<u>794,488</u>	<u>732,119</u>
	<b><u>\$ 753,364</u></b>	<b><u>611,348</u></b>

(u) 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 December 31, 2020 and 2019, the maximum exposure to credit risks amounted to \$540,226,711 and \$455,998,780, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to \$72,658 and \$107,118 as of December 31, 2020 and 2019, respectively.

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

	<u>Taiwan</u>	<u>China</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
<b>December 31, 2020</b>					
<b>Gross loans and receivables:</b>					
Neither past due nor impaired					
12-month ECL	\$ 222,805,558	175,149,747	39,880,801	1,888,582	439,724,688
Lifetime ECL	-	453,667	22,186,760	2,660,001	25,300,428
Past due or monitored					
Lifetime ECL	1,505,295	66,578	3,386,129	114,292	5,072,294
Impaired					
Lifetime ECL	<u>5,613,794</u>	<u>3,460,553</u>	<u>2,605,782</u>	<u>115,346</u>	<u>11,795,475</u>
Gross carrying amounts	<u>\$ 229,924,647</u>	<u>179,130,545</u>	<u>68,059,472</u>	<u>4,778,221</u>	<u>481,892,885</u>
Allowance for losses	<u>4,659,371</u>	<u>4,770,128</u>	<u>2,539,913</u>	<u>130,196</u>	<u>12,099,608</u>
Carrying amount	<u>\$ 225,265,276</u>	<u>174,360,417</u>	<u>65,519,559</u>	<u>4,648,025</u>	<u>469,793,277</u>

**Taiwan**

	<u>For the year ended December 31, 2020</u>			
	<u>12-month ECL</u>	<u>Lifetime ECL- not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Balance at January 1, 2020	\$ 1,752,730	42,829	2,271,108	4,066,667
Impairment loss recognized	597,958	15,263	2,235,365	2,848,586
Bad debts written-off	(12,952)	-	(2,217,235)	(2,230,187)
Others	<u>(10,894)</u>	<u>(355)</u>	<u>(14,446)</u>	<u>(25,695)</u>
Balance at December 31, 2020	<u>\$ 2,326,842</u>	<u>57,737</u>	<u>2,274,792</u>	<u>4,659,371</u>

**China**

	<u>For the year ended December 31, 2020</u>			
	<u>12-month ECL</u>	<u>Lifetime ECL- not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Balance at January 1, 2020	\$ 2,391,670	7,418	1,332,791	3,731,879
Impairment loss (profit) recognized	2,042,231	(7,062)	937,812	2,972,981
Transfer to lifetime ECL-not credit impaired	(12,611)	12,611	-	-
Transfer to lifetime ECL- credit impaired	<u>(1,349,194)</u>	<u>-</u>	<u>1,349,194</u>	<u>-</u>
Bad debts written-off	-	-	(2,018,482)	(2,018,482)
Others	<u>55,209</u>	<u>248</u>	<u>28,293</u>	<u>83,750</u>
Balance at December 31, 2020	<u>\$ 3,127,305</u>	<u>13,215</u>	<u>1,629,608</u>	<u>4,770,128</u>



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**ASEAN**

	<b>For the year ended December 31, 2020</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit impaired</b>	<b>Lifetime ECL- credit impaired</b>	<b>Total</b>
Balance at January 1, 2020	\$ 224,911	538,921	1,489,476	2,253,308
Impairment loss recognized	328,615	157,426	805,545	1,291,586
Transfer to lifetime ECL-not credit impaired	(90,952)	90,952	-	-
Transfer to lifetime ECL- credit impaired	(88,189)	(46,260)	134,449	-
Bad debts written-off	-	(1,553)	(886,475)	(888,028)
Others	(11,191)	(25,812)	(79,950)	(116,953)
Balance at December 31, 2020	<u>\$ 363,194</u>	<u>713,674</u>	<u>1,463,045</u>	<u>2,539,913</u>

**Others**

	<b>For the year ended December 31, 2020</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit impaired</b>	<b>Lifetime ECL- credit impaired</b>	<b>Total</b>
Balance at January 1, 2020	\$ -	141,263	-	141,263
Impairment profit recognized	-	(5,089)	-	(5,089)
Others	-	(5,978)	-	(5,978)
Balance at December 31, 2020	<u>\$ -</u>	<u>130,196</u>	<u>-</u>	<u>130,196</u>

**December 31, 2019**

**Gross loans and receivables:**

	<b>Taiwan</b>	<b>China</b>	<b>ASEAN</b>	<b>Others</b>	<b>Total</b>
Neither past due nor impaired					
12-month ECL	\$ 194,185,146	143,306,415	37,977,656	1,817,345	377,286,562
Lifetime ECL	-	255,496	19,282,470	2,507,144	22,045,110
Past due or monitored					
Lifetime ECL	472,366	32,478	3,494,509	204,588	4,203,941
Impaired					
Lifetime ECL	5,366,842	2,756,480	2,639,570	-	10,762,892
Gross carrying amounts	<u>\$ 200,024,354</u>	<u>146,350,869</u>	<u>63,394,205</u>	<u>4,529,077</u>	<u>414,298,505</u>
Allowance for losses	4,066,667	3,731,879	2,253,308	141,263	10,193,117
Carrying amount	<u>\$ 195,957,687</u>	<u>142,618,990</u>	<u>61,140,897</u>	<u>4,387,814</u>	<u>404,105,388</u>



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**Taiwan**

	<b>For the year ended December 31, 2019</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit- impaired</b>	<b>Lifetime ECL- credit-impaired</b>	<b>Total</b>
Balance at January 1, 2019	\$ 1,520,799	46,825	2,207,602	3,775,226
Impairment loss (profit) recognized	235,759	(3,976)	1,995,005	2,226,788
Bad debts written-off	-	-	(1,924,256)	(1,924,256)
Others	(3,828)	(20)	(7,243)	(11,091)
Balance at December 31, 2019	\$ <u>1,752,730</u>	<u>42,829</u>	<u>2,271,108</u>	<u>4,066,667</u>

**China**

	<b>For the year ended December 31, 2019</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit- impaired</b>	<b>Lifetime ECL- credit-impaired</b>	<b>Total</b>
Balance at January 1, 2019	\$ 2,366,636	10,518	1,794,930	4,172,084
Impairment loss (profit) recognized	4,288,409	244,157	(3,307,935)	1,224,631
Transfer to lifetime ECL-not credit impaired	(164,317)	164,317	-	-
Transfer to lifetime ECL- credit impaired	(4,006,368)	(411,285)	4,417,653	-
Bad debts written-off	-	-	(1,519,844)	(1,519,844)
Others	(92,689)	(289)	(52,014)	(144,992)
Balance at December 31, 2019	\$ <u>2,391,671</u>	<u>7,418</u>	<u>1,332,790</u>	<u>3,731,879</u>

**ASEAN**

	<b>For the year ended December 31, 2019</b>			
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit- impaired</b>	<b>Lifetime ECL- credit-impaired</b>	<b>Total</b>
Balance at January 1, 2019	\$ 188,884	378,709	1,060,757	1,628,350
Impairment loss recognized	343,861	78,697	441,923	864,481
Transfer to lifetime ECL-not credit impaired	(140,801)	140,801	-	-
Transfer to lifetime ECL- credit impaired	(178,440)	(56,923)	235,363	-
Bad debts written-off	-	(7,866)	(303,272)	(311,138)
Others	11,407	5,503	54,705	71,615
Balance at December 31, 2019	\$ <u>224,911</u>	<u>538,921</u>	<u>1,489,476</u>	<u>2,253,308</u>

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**Others**

	<b>For the year ended December 31, 2019</b>			<b>Total</b>
	<b>12-month ECL</b>	<b>Lifetime ECL- not credit- impaired</b>	<b>Lifetime ECL- credit-impaired</b>	
Balance at January 1, 2019	\$ -	218,295	183	218,478
Impairment profit recognized	-	(74,217)	(339)	(74,556)
Others	-	(2,815)	156	(2,659)
Balance at December 31, 2019	<u>\$ -</u>	<u>141,263</u>	<u>-</u>	<u>141,263</u>

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

The credit quality of the portfolio classified as loans and receivables neither past due nor impaired is under the circumstances that borrowers are with good credit rate and have no overdue records.

3) Loans and receivables which were past due or monitored

Loans and receivables that were past due or monitored, includes loans and receivables with renegotiated terms. Loans with renegotiated terms are due to the borrower's deteriorating financial position and where the Group has made concessions that it would not otherwise consider. 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.

When loans and receivables of contractual interest or principal payments are past due, the Group considers that impairment loss has not been incurred, because the level of collateral available exceeds the amounts owed to the Group, or the overdue repayments are considered temporary issues.

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

	<b>2020.12.31</b>	<b>2019.12.31</b>
Past due up to 30 days	\$ 453,012	511,478
Past due from 31 to 90 days	3,517,659	3,494,301
Past due from 91 to 180 days	227,740	43,852
Past due over 180 days	873,883	154,310
	<u>\$ 5,072,294</u>	<u>4,203,941</u>

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.

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**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:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>On demand</u>
<b>December 31, 2020</b>								
<b>Non-derivative financial liabilities</b>								
Secured bank loans	\$ 73,952,387	77,014,876	3,239,499	7,549,279	35,001,195	30,991,526	185,594	47,783
Unsecured bank and other loans	204,145,766	210,085,482	22,516,647	20,347,098	36,372,271	126,707,400	3,855,365	286,701
Notes payable from securitization	10,434,751	10,822,774	729,702	1,400,490	2,327,865	2,036,603	4,328,114	-
Short-term notes and bills payable	83,998,707	84,230,000	10,750,000	14,540,000	58,940,000	-	-	-
Bonds payables	35,645,100	38,304,512	53,512	1,845,300	3,483,574	31,126,846	1,795,280	-
Other payables	17,888,136	18,000,020	11,574,559	1,544,118	1,522,435	984,663	23,312	2,350,933
Deposits relating to collateral of customers	54,646,385	54,662,814	700,116	880,634	9,225,422	42,426,547	137,805	1,292,290
Lease liabilities	4,222,448	4,901,831	55,656	108,659	476,653	1,156,903	3,103,960	-
<b>Derivative financial liabilities</b>								
Current financial liabilities for hedging	<u>1,402,120</u>	<u>1,402,120</u>	<u>-</u>	<u>-</u>	<u>1,402,120</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>\$ 486,335,800</b>	<b>499,424,429</b>	<b>49,619,691</b>	<b>48,215,578</b>	<b>148,751,535</b>	<b>235,430,488</b>	<b>13,429,430</b>	<b>3,977,707</b>
<b>December 31, 2019</b>								
<b>Non-derivative financial liabilities</b>								
Secured bank loans	\$ 53,619,669	56,895,628	3,433,788	3,818,738	24,878,537	24,533,939	230,626	-
Unsecured bank and other loans	192,033,196	197,682,870	36,541,365	20,142,859	43,338,708	97,415,547	244,391	-
Notes payable from securitization	6,508,569	6,755,229	9,546	16,937	76,215	6,652,531	-	-
Short-term notes and bills payable	72,672,364	72,950,000	9,330,000	15,350,000	48,270,000	-	-	-
Bonds payables	27,131,853	28,287,530	11,745	143,841	7,854,925	19,056,699	1,220,320	-
Other payables	15,944,274	16,028,277	10,213,736	1,387,720	1,238,144	823,304	-	2,365,373
Deposits relating to collateral of customers	46,256,803	46,304,547	267,795	700,136	7,718,158	36,506,776	120,867	990,815
Lease liabilities	3,596,445	4,091,394	56,258	111,075	458,838	1,191,171	2,274,052	-
<b>Derivative financial liabilities</b>								
Current financial liabilities for hedging	<u>42,730</u>	<u>42,730</u>	<u>-</u>	<u>-</u>	<u>42,730</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>\$ 417,805,903</b>	<b>429,038,205</b>	<b>59,864,233</b>	<b>41,671,306</b>	<b>133,876,255</b>	<b>186,179,967</b>	<b>4,090,256</b>	<b>3,356,188</b>

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

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3.Currency risks

1) Exposure to currency risks

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

		<b>2020.12.31</b>		
		<b>Foreign currency (In thousands)</b>	<b>Exchange rate</b>	<b>Functional currency</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	9,532.54	USD : TWD	271,487
		67,471.63	USD : GBP	1,921,592
		3,736.29	USD : VND	106,410
JPY		1,004,867.42	JPY : USD	277,645
EUR		136,227.74	EUR : USD	4,770,695
CNY		25,986.11	CNY : USD	113,741
KHR		45,530,593.42	KHR : USD	320,571
SGD		7,788.76	SGD : USD	167,926
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		3,428.57	USD : VND	97,646
		67,471.63	USD : GBP	1,921,592
JPY		450,000.00	JPY : USD	124,315
EUR		91,000.00	EUR : USD	3,186,807
KHR		22,370,000.00	KHR : USD	157,353
SGD		8,000.00	SGD : USD	172,479

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		<b>2019.12.31</b>		
		<b>Foreign currency</b>		<b>Functional</b>
		<b>(In thousands)</b>	<b>Exchange rate</b>	<b>currency</b>
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	149,319.02	USD : TWD	29.9800
		61,944.36	USD : GBP	0.7617
		4,909.59	USD : VND	25,624
JPY		921,153.18	JPY : USD	0.0092
EUR		93,501.35	EUR : USD	1.1204
HKD		54,726.64	HKD : USD	0.1284
AUD		11,672.04	AUD : USD	0.7006
SGD		7,457.69	SGD : USD	0.7432
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		456.94	USD : TWD	29.9800
		4,126.55	USD : VND	25,624
		61,944.36	USD : GBP	0.7617
JPY		700,000.00	JPY : USD	0.0092
EUR		79,000.00	EUR : USD	1.1204
HKD		28,000.00	HKD : USD	0.1284
AUD		11,000.00	AUD : USD	0.7006
SGD		7,000.00	SGD : USD	0.7432

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from foreign currency exchange fluctuations on cash and cash equivalents, account receivables, and loans and borrowings. A 5% depreciation or appreciation of the TWD against the USD and CNY on balance sheet date would have decreased or increased the net profit after tax by \$118,506 and \$317,628, for the years ended December 31, 2020 and 2019, respectively. The analysis is performed on the same basis for both years.

3) The foreign currency gain or loss on monetary items

Since the Group uses multiple functional currencies, the amounts for foreign currency gain or loss are consolidated for presentation. For the years ended December 31, 2020 and 2019, the foreign currency gain (loss), including realized and unrealized, amounted to \$16,893 and \$(109,859), respectively.

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**4. Interest analysis**

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

Ending balance as of December 31, 2020	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1-5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.85 %	\$ 32,796,805	25,336,088	5,956,408	-	-	1,504,309
Debt securities	5.07 %	18,773,053	-	5,847,283	12,925,770	-	-
Total accounts receivables	9.75 %	482,013,501	46,367,696	215,733,285	210,212,808	2,330,916	7,368,796
Current financial assets for hedging	2.64 %	118,697	-	118,697	-	-	-
		533,702,056	71,703,784	227,655,673	223,138,578	2,330,916	8,873,105
Financial liabilities							
Secured bank loans	4.51 %	73,952,387	62,679,534	3,841,430	7,431,423	-	-
Unsecured bank and other loans	2.25 %	204,145,766	78,438,499	49,325,571	72,633,613	3,748,083	-
Short-term notes and bills payable	0.74 %	83,998,707	8,682,121	75,316,586	-	-	-
Bonds payables	2.13 %	35,645,100	-	4,481,095	29,414,005	1,750,000	-
Current financial liabilities for hedging	2.61 %	1,402,120	-	1,402,120	-	-	-
Notes payable from securitization	3.36 %	10,434,751	-	6,204,536	287,425	3,942,790	-
Deposits relating to collateral of customers	0.22 %	54,646,385	-	3,768,964	7,198,493	89,867	43,589,061
Lease liabilities	1.40 %	4,222,448	-	579,678	1,015,330	2,627,440	-
		468,447,664	149,800,154	144,919,980	117,980,289	12,158,180	43,589,061
Net exposure		\$ 65,254,392	(78,096,370)	82,735,693	105,158,289	(9,827,264)	(34,715,956)

Ending balance as of December 31, 2019	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1-5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.73 %	\$ 18,660,546	14,277,910	2,997,086	-	-	1,385,550
Debt securities	5.49 %	13,637,554	-	4,413,483	9,224,071	-	-
Total accounts receivables	9.85 %	414,450,852	42,569,947	186,303,211	176,278,615	2,610,878	6,688,201
Current financial assets for hedging	1.64 %	465,101	-	465,101	-	-	-
		447,214,053	56,847,857	194,178,881	185,502,686	2,610,878	8,073,751
Financial liabilities							
Secured bank loans	4.79 %	53,619,669	46,583,202	4,746,060	2,290,407	-	-
Unsecured bank and other loans	2.90 %	192,033,196	122,767,781	36,940,768	32,092,564	232,083	-
Short-term notes and bills payable	0.90 %	72,672,364	13,504,169	59,168,195	-	-	-
Bonds payables	1.67 %	27,131,853	-	7,584,529	18,347,324	1,200,000	-
Current financial liabilities for hedging	1.62 %	42,730	-	42,730	-	-	-
Notes payable from securitization	1.92 %	6,508,569	-	2,589,401	3,828,165	91,003	-
Deposits relating to collateral of customers	0.12 %	46,256,803	-	4,976,114	7,299,084	1,813	33,979,792
Lease liabilities	1.69 %	3,596,445	-	550,122	1,075,126	1,971,197	-
		401,861,629	182,855,152	116,597,919	64,932,670	3,496,096	33,979,792
Net exposure		\$ 45,352,424	(126,007,295)	77,580,962	120,570,016	(885,218)	(25,906,041)

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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 that 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.

If the interest rate increases or decreases by 0.25%, the Group's profit will decrease or increase by \$180,428 and \$190,969 for the years ended December 31, 2020 and 2019, respectively. This analysis assumes that all other variables remain constant.

**5. Sensitivity analysis— equity price risk :**

If the equity price changes, the impact to other comprehensive income, using the sensitivity analysis based on the same variables except for the price index for both period, will be as follows:

	For the years ended December 31,			
	2020		2019	
	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
<b>Equity price at reporting date</b>				
Increase 7%	\$ <u>58,249</u>	<u>52,873</u>	<u>62,998</u>	<u>16,286</u>
Decrease 7%	\$ <u>(58,249)</u>	<u>(52,873)</u>	<u>(62,998)</u>	<u>(16,286)</u>

**6. Fair value information**

**1) The Categories and Fair Values of Financial Instruments**

The fair value of financial assets and liabilities at fair value through profit or loss, derivative financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The following are the carrying amount and the fair value of the Group's financial assets and financial liabilities (including fair value hierarchy information). However, for financial instruments not measured at fair value but whose carrying amount is estimated to be reasonably close to the fair value, and lease liabilities cannot be reliably measured, disclosure of fair value information is not required:

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	December 31, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 849,443	194,363	-	655,080	849,443
<b>Financial assets for hedging</b>	118,697	-	118,697	-	118,697
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic and foreign market (OTC) equity securities	698,054	693,793	4,261	-	698,054
Measure the fair value of unquoted equity instruments	130,307	-	-	130,307	130,307
Sub-total	828,361	693,793	4,261	130,307	828,361
<b>Financial assets at amortized cost</b>	18,697,957	-	-	-	-
<b>Loans and receivable</b>					
Cash and cash equivalents	32,796,805	-	-	-	-
Accounts receivable	469,865,935	-	-	-	-
Other financial assets	2,903,336	-	-	-	-
Refundable deposits	628,703	-	-	-	-
Restricted bank deposits	3,443,074	-	-	-	-
Sub-total	509,637,853	-	-	-	-
<b>Total</b>	<b>\$ 530,132,311</b>	<b>888,156</b>	<b>122,958</b>	<b>785,387</b>	<b>1,796,501</b>
<b>Financial liabilities for hedging</b>	\$ 1,402,120	-	1,402,120	-	1,402,120
<b>Measurement of financial liabilities at amortized cost</b>					
Secured bank loans	73,952,387	-	-	-	-
Unsecured bank and other loans	204,145,766	-	-	-	-
Notes payable from securitization	10,434,751	-	-	-	-
Short-term notes and bills payable	83,998,707	-	-	-	-
Bonds payables	35,645,100	-	-	-	-
Other payables	17,888,136	-	-	-	-
Deposits relating to collateral of customers	54,646,385	-	-	-	-
Lease liabilities	4,222,448	-	-	-	-
Sub-total	484,933,680	-	-	-	-
<b>Total</b>	<b>\$ 486,335,800</b>	<b>-</b>	<b>1,402,120</b>	<b>-</b>	<b>1,402,120</b>



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	December 31, 2019				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value through profit or loss</b>					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 320,577	232,178	-	88,399	320,577
<b>Financial assets for hedging</b>	465,101	-	465,101	-	465,101
<b>Financial assets at fair value through other comprehensive income</b>					
Domestic and foreign market (OTC) equity securities	778,006	774,491	3,515	-	778,006
Measure the fair value of unquoted equity instruments	121,029	-	-	121,029	121,029
Sub-total	899,035	774,491	3,515	121,029	899,035
<b>Financial assets at amortized cost</b>	13,568,869	-	-	-	-
<b>Loans and receivable</b>					
Cash and cash equivalents	18,660,546	-	-	-	-
Accounts receivable	404,212,506	-	-	-	-
Other financial assets	2,360,913	-	-	-	-
Refundable deposits	341,246	-	-	-	-
Restricted bank deposits	6,488,008	-	-	-	-
Sub-total	432,063,219	-	-	-	-
<b>Total</b>	<b>\$ 447,316,801</b>	<b>1,006,669</b>	<b>468,616</b>	<b>209,428</b>	<b>1,684,713</b>
<b>Financial liabilities for hedging</b>	\$ 42,730	-	42,730	-	42,730
<b>Measurement of financial liabilities at amortized cost</b>					
Secured bank loans	53,619,669	-	-	-	-
Unsecured bank and other loans	192,033,196	-	-	-	-
Notes payable from securitization	6,508,569	-	-	-	-
Short-term notes and bills payable	72,672,364	-	-	-	-
Bonds payables	27,131,853	-	-	-	-
Other payables	15,944,274	-	-	-	-
Deposits relating to collateral of customers	46,256,803	-	-	-	-
Lease liabilities	3,596,445	-	-	-	-
Sub-total	417,763,173	-	-	-	-
<b>Total</b>	<b>\$ 417,805,903</b>	<b>-</b>	<b>42,730</b>	<b>-</b>	<b>42,730</b>

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**2) Valuation Techniques for Financial Instruments not Measured at Fair Value**

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

**A. Financial assets at amortized cost**

If the quoted prices in active markets are available, the market price is established as the fair value. However, if quoted prices in active markets are not available, the estimated valuation or prices used by competitors are adopted.

**B. Financial assets at amortized cost and financial liabilities measured at amortized cost**

If there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

**3) Valuation Techniques for Financial Instruments Measured at Fair Value**

**A. Non-derivative Financial Instruments**

If quoted prices in active markets are available, the prices are established as fair values. For the Group's financial instruments that have no active markets, the fair values are determined as follows:

**Beneficiary Certificate that Has No Quoted Prices:** The discounted cash flow model is used to estimate fair values. The main assumption for the model is to discount expected future cash flows by using a discount rate that reflects the time value of money and risks.

**Equity Instrument that Has No Quoted Prices:** The net asset value method is used to estimate fair values. The main assumption for the model is to use the net asset value per share as the measuring basis.

**B. Derivative Financial Instruments**

Derivative financial instruments are measured by using common valuation models such as discounted cash flow model and Black-Scholes model.

**4) Change in Level 3 of the fair value's ledger**

	<b>At fair value through profit or loss</b>	<b>At fair value through others comprehensive income</b>	
	<b>Non-derivative financial assets</b>	<b>Unquoted equity instruments</b>	<b>Total</b>
Opening balance, January 1, 2020	\$ 88,399	121,029	209,428
Total gains and losses recognized:			
In profit or loss	12,614	-	12,614
In other comprehensive income	-	724	724
Purchase	850,860	10,000	860,860
Disposal	(292,002)	-	(292,002)
Effect of movements in exchange rate	(4,791)	(1,446)	(6,237)
Ending balance, December 31, 2020	\$ <b>655,080</b>	<b>130,307</b>	<b>785,387</b>

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	<u>At fair value through profit or loss</u>	<u>At fair value through others comprehensive income</u>	
	<u>Non-derivative financial assets</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Opening balance, January 1, 2019	\$ 750,336	105,466	855,802
Total gains and losses recognized:			
In profit or loss	13,371	-	13,371
In other comprehensive income	-	(23,909)	(23,909)
Purchase	77,273	40,000	117,273
Disposal / Liquidate	(754,592)	(636)	(755,228)
Effect of movements in exchange rate	2,011	108	2,119
Ending balance, December 31, 2019	\$ <u>88,399</u>	<u>121,029</u>	<u>209,428</u>

For the years ended December 31, 2020 and 2019, total gains and losses arising from the valuation of investments under Level 3 of the fair value hierarchy that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive” were as follows:

	<u>For the years ended December 31,</u>	
	<u>2020</u>	<u>2019</u>
Total gains and losses recognized:		
In profit or loss, and presented in “other gains and losses”	\$ 12,614	13,371
In other comprehensive income, and presented in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	724	(23,909)

**5) The Quantified Information for Significant Unobservable Inputs (Level 3) Used in Fair Value Measurement**

The Group’s financial instruments that use Level 3 inputs to measure fair values include fair value through other comprehensive income-equity investments and financial assets at fair value through profit or loss. Most of these financial instruments using Level 3 inputs to measure fair values have only one significant unobservable input.

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Quantified information of significant unobservable inputs was as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Non-observable Input</u>	<u>The Relationship between Significant Non-observable Input and Fair Value</u>
Financial assets at fair value through other comprehensive income - investments in equity instruments without active market	Net Asset Value Method	Net Asset Value	Not applicable
Financial assets at fair value through profit or loss without active market	Black-Scholes Model	Stock Return Volatility (2.93%~5.47% on December 31, 2020)	The higher stock return volatility, the higher the fair value
"	Discounted Cash Flow Method	Discount Rate (0.76%~4.30% on December 31, 2020)	The higher the discount rate, the lower the fair value

6) Fair value measurements in Level 3 - sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

			Impact or Fair Value Change on Net income or loss	
			Favorable Change	Unfavorable Change
<b>December 31, 2020</b>				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 129	(129)
"	Stock Return Volatility	10%	-	-
<b>December 31, 2019</b>				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 234	(234)
"	Stock Return Volatility	10%	-	-

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

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(v) Financial risk management

1. Overview

The Group has 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 accompanying consolidated financial statements.

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 has 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.

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.

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**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 is 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) higher 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 does 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 monitors 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 uses 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 believes it holds sufficient cash to finance long-term funding needs.

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The management of liquidity and funding is primarily carried out locally by the Group operating entities in each country. The Group requires 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 adapts 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 has continuously monitored the impact of recent market events on the Group's liquidity position and has changed behavioral assumptions where justified. The liquidity and funding risk management framework will continue to evolve as the Group assimilates 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 minimizing adverse long-term implications for the business.

The Group does 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 uses 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 optimizing 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 optimize return on risk while maintaining a market profile consistent with the Group's status as a provider of financial products and services.



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**2) Currency risk**

The Group is 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 is not exposed to significant exchange risk since the Group finances 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 has 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 manages 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 has 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 monitors 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.



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**(w) 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.

The Group uses 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:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Total Liabilities	\$ 493,344,964	423,399,839
Less: cash and cash equivalents	<u>(32,796,805)</u>	<u>(18,660,546)</u>
Net debt	460,548,159	404,739,293
Total Equity	99,978,870	73,938,020
Amounts accumulated in equity relating to cash flow hedges	<u>502,825</u>	<u>175,996</u>
Adjusted capital	<u><b>\$ 561,029,854</b></u>	<u><b>478,853,309</b></u>
Debt to equity ratio	<u><b>82.09 %</b></u>	<u><b>84.52 %</b></u>

As of December 31, 2020, according to the Company's management, there were no changes in the Group's approach to capital management.

**(x) Financing activities not affecting current cash flow**

For the years ended December 31, 2020 and 2019, the Group's investing and financing activities not affecting current cash flow were as follows:

Reconciliation of liabilities arising from financing activities was as follows:

	<b>January 1, 2020</b>	<b>Cash flows</b>	<b>Non-cash adjustments</b>	<b>December 31, 2020</b>
Lease liabilities	\$ 3,596,445	(600,074)	1,226,077	4,222,448
Total liabilities from financing activities	<u><b>\$ 3,596,445</b></u>	<u><b>(600,074)</b></u>	<u><b>1,226,077</b></u>	<u><b>4,222,448</b></u>

  

	<b>January 1, 2019</b>	<b>Cash flows</b>	<b>Non-cash adjustments</b>	<b>December 31, 2019</b>
Lease liabilities	\$ 2,156,050	(548,869)	1,989,264	3,596,445
Total liabilities from financing activities	<u><b>\$ 2,156,050</b></u>	<u><b>(548,869)</b></u>	<u><b>1,989,264</b></u>	<u><b>3,596,445</b></u>

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**(7) Related Party Transactions**

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

(b) Names and relationship of related parties

The followings are entities that have had related parties transactions during the periods covered in the consolidated financial statements.

<b>Name of related parties</b>	<b>Relationship with the Group</b>
C&E Engine Leasing Limited	Associates
Andre J.L. Koo	Director
Grand Pacific Investment & Development Co., Ltd.	Other related party
Chailease Construction & Development Corp.	"
Chaico Investment Corporation	"
Yellowstone Security Co., Ltd.	"
Yellowstone Service Co., Ltd.	"
Chailease Resources Technology Co., Ltd.	"
CITC Enterprise (Thai) Co., Ltd.	"
Chailease Business Co., Ltd.	"
Yellowstone Interior Design Company Limited (Former name: Bosser Design Engineering Co., Ltd.)	"
Global Hospitality Group Inc.	"
Global Property Management Co., Ltd.	"
Chailease Youngster Foundation	"
Advance Rental Care Co., Ltd.	"
Qin An Investment Consulting (Shanghai) Co., Ltd.	"
Shanghai Jiasheng Decoration Engineering Co., Ltd.	"
Yujia Investment Management Consulting (Shanghai) Co., Ltd.	"
Anywhere 2 Go Company Limited	"
Bangkok Bank Public Company Limited	"
Bangkok Garden Property Fund	"

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<b>Name of related parties</b>	<b>Relationship with the Group</b>
Bangkok Insurance Public Company Limited	Other related party
Enrich Management Consultants Ltd.	"
Grand Pacific Finance Corp.(N.Y.)	"
Sathorn City Tower Property Fund	"
Chailease Enterprise Co., Ltd.	"
Chailease Biofund Company Limited	"
Chun An Investment Co., Ltd.	"
Chun An Technology Co., Ltd.	"
Li Cheng Investment Co., Ltd.	"
Jen Chung Co., Ltd.	"
Ezfund Securities Investment Consulting Enterprise Ltd.	"
Shenyang Putai Hemodialysis Center Co., Ltd.	"
Qiqihar Zhongtai Nephrotic Hospital Co., Ltd.	"
Tonghua Zhongyi Hemodialysis Co., Ltd.	"
Chaico Biomedical Co.,Ltd.	"
Les Terroirs de Chailease Co., Ltd.	"

(c) Related-party transactions

1. Operating revenue

Operating revenue of the Group from the related parties was as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Associates	\$ -	34
Other related parties	41,031	34,045
	<b>\$ 41,031</b>	<b>34,079</b>

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**2.Receivables from related parties**

Receivables of the Group from related parties were as follows :

<b>Account</b>	<b>Categories of related parties</b>	<b>2020.12.31</b>	<b>2019.12.31</b>
Capital leases receivable	Other related parties	\$ 79,790	43,883
Accounts receivable	Other related parties	92	-
Other receivables	Other related parties	17,026	19,288
Other non-current financial assets	Other related parties	3,502	2,020
		<u><b>\$ 100,410</b></u>	<u><b>65,191</b></u>

**3.Payable to related parties**

Payable to related parties was as follows :

<b>Account</b>	<b>Categories of related parties</b>	<b>2020.12.31</b>	<b>2019.12.31</b>
Account payable	Other related parties	\$ -	865
Other current financial liabilities	Other related parties	3,022	2,153
		<u><b>\$ 3,022</b></u>	<u><b>3,018</b></u>

**4.Asset transactions**

The Group purchased leasehold improvements from other related parties amounting to \$16,390 and \$66,283 for the years ended December 31, 2020 and 2019, respectively.

The Group purchased all the shares of the subsidiary from the director of the Company for \$18,527 for the year ended December 31, 2020.

**5.Related-Party Financing**

Financing to associates and related parties was as follows :

	<b>2020.12.31</b>	<b>2019.12.31</b>
Associates	\$ 1,554,024	1,817,346
Other related parties	2,425	30,426
	<u><b>\$ 1,556,449</b></u>	<u><b>1,847,772</b></u>

The loans receivable from associates bear interest at rates ranging from 2.01% to 5.65%. As of December 31, 2020 and 2019, interest receivable from the loans receivable from associates amounted to \$12,182 and \$14,654, respectively. For the years ended December 31, 2020 and 2019, interest revenue from the loans receivable from associates amounted to \$73,808 and \$69,496, respectively.

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The loans receivable from other related parties bear interest at rates ranging from 10.00% to 10.05%. As of December 31, 2020 and 2019, interest receivable from the loans receivable from other related parties amounted to \$10 and \$124, respectively. For the years ended December 31, 2020 and 2019, interest revenue from the loans receivable from other related parties amounted to \$586 and \$1,331, respectively.

**6. Interest bearing borrowings**

Borrowings of the Group from related parties were as follows :

	<u>2020.12.31</u>	<u>2019.12.31</u>
Other related parties	<u>\$ 6,498,080</u>	<u>4,402,728</u>

The borrowings from other related parties bear interest at 3.25%. As of December 31, 2020 and 2019, interest payable from the interest-bearing borrowings from other related parties amounted to \$2,487 and \$404, respectively. For the years ended December 31, 2020 and 2019, interest expense from the interest-bearing borrowing from other related parties amounted to \$153,098 and \$124,414, respectively.

**7. Guarantee**

As of December 31, 2020 and 2019, the Group had provided a guarantee for loans taken out by associates and the credit limit of the guarantee was \$0 and \$96,863, and the actual drawn amount was \$0 and \$9,682, respectively.

**8. Leases**

- 1) In November 2017, the Group rented an office building from other related parties. A four and half years lease contract was signed, in which the rental fee was determined based on nearby office rental rates. The total value of the contract was \$80,141. For the year ended December 31, 2020 and 2019, the Group recognized the amount of \$1,189 and \$1,320 as interest expense. As of December 31, 2020 and 2019, the balance of lease liabilities amounted to \$31,022 and \$55,246.
- 2) For the years ended December 31, 2020 and 2019, rent expense is not included in rent liabilities that from other related parties amounted to \$5,875 and \$6,000, respectively.

**9. Others**

- 1) As of December 31, 2020 and 2019 bank deposits in financial institutions which are other related parties of the Group amounted to \$393,111 and \$477,266, respectively. For the years ended December 31, 2020 and 2019, interest revenue from the deposits in other related parties amounted to \$1,158 and \$350, respectively.
- 2) The Group purchased from its other related party debt securities-real estate asset trust, with rates ranging from 2.75% to 4.50% and due date in 2022. The investment balance and interest revenue from debt securities amounted to \$466,000 and \$6,930 as of the years ended December 31, 2020, respectively.

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3) Other expense with related parties :

<b>Other related parties</b>	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Other operating costs and expenses	\$ 151,580	161,878
Other non-operating revenue	4	-
	<b>\$ 151,584</b>	<b>161,878</b>

(d) Key management personnel compensation

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Short-term employee benefits	\$ 356,522	307,287
Post-employment benefits	20,253	2,409
	<b>\$ 376,775</b>	<b>309,696</b>

**(8) Pledged Assets**

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>2020.12.31</b>	<b>2019.12.31</b>
Restricted cash in banks			
Restricted account for loans repayment	Issuance of short-term notes and bills, and as guarantee for short-term and long-term borrowings; as well as performance guarantee for alliance contracts(Note)	3,383,305	2,216,241
Property, plant and equipment	As guarantee for short-term and long-term borrowings	2,124,752	2,150,785
Refundable deposits	Provincial court seizure etc.	65,645	63,401
Accounts receivable and notes receivable	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	121,034,457	112,324,266
Total		<b>\$ 126,608,159</b>	<b>116,754,693</b>

Note: The Group issued discount coupons for car rental services and opened a trust account with Sunny Bank in accordance with mandatory and prohibitory provisions of the standard contracts for coupons.

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**(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 is required to assume their loan obligations and pay these loans on behalf of these customers. As of December 31, 2020 and 2019, the balance of unexpired payments from these alliance transactions amounted to \$10,092,480 and \$8,101,667, respectively.
- (b) The Group entered into several electricity procurement agreements with Taiwan Power Company and all of these agreements will expire on twenty years after the date the electricity generating sets are launched. Under these agreements, reselling to third parties of electric power from the renewable energy system is prohibited.
- (c) The Group signed the unclosed contract of the installation and construction project of solar power for \$19,844,981 for the year ended December 31, 2020. As of December 31, 2020, the amount of \$16,497,158 was remained unpaid.

**(10) Losses Due to Major Disasters: None.**

**(11) Subsequent Events: None.**

**(12) Other**

- (a) Liquidity analysis of assets and liabilities :

	<b>2020.12.31</b>	
	<b>Expected to be collected or paid within 12 months</b>	<b>Expected to be collected or paid after 12 months</b>
<u>Current assets</u>		<u>Total</u>
Cash and cash equivalents	\$ 32,796,805	32,796,805
Current financial assets at fair value through profit or loss	821,296	821,296
Current financial assets at amortized cost	5,778,510	14,418,945
Current financial assets for hedging	118,697	118,697
Accounts receivable, net	237,616,698	375,719,022
Other current financial assets	5,448,266	5,524,900
Other current assets	8,584,757	8,584,757
	<u>\$ 291,165,029</u>	<u>437,984,422</u>

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	<b>2020.12.31</b>		
	<b>Expected to be collected or paid within 12 months</b>	<b>Expected to be collected or paid after 12 months</b>	<b>Total</b>
<u>Current liabilities</u>			
Short-term borrowings	\$ 56,025,737	-	56,025,737
Short-term notes and bills payable	83,998,707	-	83,998,707
Current financial liabilities for hedging	1,402,120	-	1,402,120
Accounts and notes payable	6,826,884	-	6,826,884
Current tax liabilities	3,011,666	-	3,011,666
Current lease liabilities	579,678	370,281	949,959
Other current financial liabilities	20,350,773	35,378,299	55,729,072
Long-term liabilities, current portion	73,593,539	89,889,377	163,482,916
Other current liabilities	4,640,995	-	4,640,995
	<u>\$ 250,430,099</u>	<u>125,637,957</u>	<u>376,068,056</u>
	<b>2019.12.31</b>		
	<b>Expected to be collected or paid within 12 months</b>	<b>Expected to be collected or paid after 12 months</b>	<b>Total</b>
<u>Current assets</u>			
Cash and cash equivalents	\$ 18,660,546	-	18,660,546
Current financial assets at fair value through profit or loss	232,658	-	232,658
Current financial assets at amortized cost	4,413,483	6,385,636	10,799,119
Current financial assets for hedging	465,101	-	465,101
Accounts receivable, net	209,091,600	113,094,688	322,186,288
Other current financial assets	8,443,841	70,752	8,514,593
Other current assets	6,258,911	-	6,258,911
	<u>\$ 247,566,140</u>	<u>119,551,076</u>	<u>367,117,216</u>



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	2019.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current liabilities</u>			
Short-term borrowings	\$ 60,184,562	-	60,184,562
Short-term notes and bills payable	72,672,364	-	72,672,364
Current financial liability for hedging	42,730	-	42,730
Accounts and notes payable	6,586,231	76	6,586,307
Current tax liabilities	2,011,215	-	2,011,215
Current lease liabilities	550,122	378,011	928,133
Other current financial liabilities	17,721,503	28,046,486	45,767,989
Long-term liabilities, current portion	73,509,810	59,091,187	132,600,997
Other current liabilities	3,581,389	-	3,581,389
	<u>\$ 236,859,926</u>	<u>87,515,760</u>	<u>324,375,686</u>

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

By item	By function	For the year ended December 31, 2020			For the year ended December 31, 2019		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		17,917	7,243,970	7,261,887	54,294	6,246,589	6,300,883
Labor and health insurance		955	368,820	369,775	3,971	384,330	388,301
Pension		458	293,075	293,533	1,883	345,366	347,249
Others		-	413,752	413,752	-	442,724	442,724
Depreciation		3,705,756	699,153	4,404,909	3,094,979	577,417	3,672,396
Amortization		-	175,369	175,369	-	176,623	176,623

**(13) Other disclosures**

- (a) Information on significant transactions

The information on significant transactions of the Group, which is required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, for the year ended December 31, 2020 was as follows :

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**1. Fund loaning to other parties:**

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
0	The Company	Chalease Capital (Thailand) Co., Ltd	Accounts receivable	Yes	3,313,150	3,275,200	-	2.71%	2	-	Working Capital	-	None	-	9,549,574	95,495,740
1	Chalease Finance Co., Ltd.	A	Accounts receivable	No	1,079,200	871,200	871,200	0.01%~19.83%	2	-	Working Capital	10,019	None	-	4,545,314	81,815,643
"	"	B	Accounts receivable	No	497,296	497,296	497,296	0.01%~19.83%	2	-	Working Capital	5,719	None	-	4,545,314	81,815,643
"	"	C	Accounts receivable	No	463,415	463,415	463,415	0.01%~19.83%	2	-	Working Capital	5,329	None	-	4,545,314	81,815,643
"	"	D	Accounts receivable	No	444,987	444,987	444,987	0.01%~19.83%	2	-	Working Capital	5,117	None	-	4,545,314	81,815,643
"	"	E	Accounts receivable	No	479,057	384,567	384,567	0.01%~19.83%	2	-	Working Capital	4,423	None	-	4,545,314	81,815,643
"	"	F	Accounts receivable	No	442,810	277,515	196,015	0.01%~19.83%	2	-	Working Capital	2,254	None	-	4,545,314	81,815,643
"	"	G	Accounts receivable	No	211,370	211,370	211,370	0.01%~19.83%	2	-	Working Capital	2,431	None	-	4,545,314	81,815,643
"	"	H	Accounts receivable	No	210,000	160,056	160,056	0.01%~19.83%	1	513,020		1,841	Properties	46,940	4,545,314	81,815,643
"	"	I	Accounts receivable	No	22,000	8,982	8,982	0.01%~19.83%	1	236,552		103	None	-	4,545,314	81,815,643
"	"	I-1	Accounts receivable	No	221,750	142,556	142,556	0.01%~19.83%	2	-	Working Capital	1,640	None	-	4,545,314	81,815,643
"	"	J	Accounts receivable	No	138,728	138,699	138,699	0.01%~19.83%	2	-	Working Capital	1,595	None	-	4,545,314	81,815,643
"	"	K	Accounts receivable	No	134,500	134,500	-	0.01%~19.83%	2	-	Working Capital	-	None	-	4,545,314	81,815,643
"	"	L	Accounts receivable	No	131,750	131,750	-	0.01%~19.83%	2	-	Working Capital	-	None	-	4,545,314	81,815,643
"	"	M	Accounts receivable	No	130,000	130,000	130,000	0.01%~19.83%	2	-	Working Capital	1,495	None	-	4,545,314	81,815,643
"	"	N	Accounts receivable	No	204,577	127,400	127,400	0.01%~19.83%	2	-	Working Capital	1,465	None	-	4,545,314	81,815,643
"	"	O	Accounts receivable	No	316,000	126,000	112,594	0.01%~19.83%	2	-	Working Capital	1,295	None	-	4,545,314	81,815,643
"	"	P	Accounts receivable	No	121,000	121,000	121,000	0.01%~19.83%	2	-	Working Capital	1,392	None	-	4,545,314	81,815,643
"	"	Q	Accounts receivable	No	217,450	117,300	117,300	0.01%~19.83%	2	-	Working Capital	1,349	None	-	4,545,314	81,815,643
"	"	R	Accounts receivable	No	114,520	114,520	114,520	0.01%~19.83%	2	-	Working Capital	1,317	None	-	4,545,314	81,815,643
"	"	S	Accounts receivable	No	196,900	110,000	65,600	0.01%~19.83%	2	-	Working Capital	754	None	-	4,545,314	81,815,643
"	"	T	Accounts receivable	No	60,000	40,854	40,854	0.01%~19.83%	1	240,000		470	None	-	4,545,314	81,815,643
"	"	T-1	Accounts receivable	No	301,323	66,819	66,819	0.01%~19.83%	2	-	Working Capital	768	None	-	4,545,314	81,815,643
"	"	Summary of other clients	Accounts receivable	No	12,012,380	5,523,271	5,409,271	0.01%~19.83%	1	39,130,312		62,207	Bank Deposits/ Stocks	1,202,662	4,545,314	81,815,643
"	"	Summary of other clients	Accounts receivable	No	43,002,267	23,229,945	21,419,581	0.01%~19.83%	2	-	Working Capital	429,485	0	3,677,779	4,545,314	81,815,643

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount/limits (Note 3)
													Item	Value		
1	Chalease Finance Co., Ltd.	Chuang Ju Limited Partnership	Accounts receivable	Yes	1,000,000	1,000,000	1,000,000	0.01%~19.83%	2	-	Working Capital	11,500	None	-	4,545,314	81,815,643
2	Fina Finance & Trading Co., Ltd.	A	Accounts receivable	No	395,000	322,476	322,476	1.5760%~19.8633%	2	-	Working Capital	3,225	Properties	299,320	1,931,669	30,906,702
"	"	B	Accounts receivable	No	403,942	253,834	253,834	1.5760%~19.8633%	2	-	Working Capital	2,538	None	-	1,931,669	30,906,702
"	"	C	Accounts receivable	No	226,979	226,978	226,978	1.5760%~19.8633%	2	-	Working Capital	-	Properties	195,049	1,931,669	30,906,702
"	"	D	Accounts receivable	No	213,026	203,918	203,918	1.5760%~19.8633%	2	-	Working Capital	2,039	Properties	182,542	1,931,669	30,906,702
"	"	E	Accounts receivable	No	125,000	124,922	124,922	1.5760%~19.8633%	2	-	Working Capital	1,249	Properties	118,483	1,931,669	30,906,702
"	"	F	Accounts receivable	No	106,509	78,586	78,586	1.5760%~19.8633%	2	-	Working Capital	786	Stocks	93,900	1,931,669	30,906,702
"	"	G	Accounts receivable	No	70,000	70,000	70,000	1.5760%~19.8633%	2	-	Working Capital	700	Properties	67,119	1,931,669	30,906,702
"	"	H	Accounts receivable	No	70,000	70,000	8,500	1.5760%~19.8633%	2	-	Working Capital	85	Properties	63,326	1,931,669	30,906,702
"	"	I	Accounts receivable	No	162,478	67,696	67,696	1.5760%~19.8633%	2	-	Working Capital	677	None	-	1,931,669	30,906,702
"	"	J	Accounts receivable	No	65,000	65,000	65,000	1.5760%~19.8633%	2	-	Working Capital	650	Properties	18,061	1,931,669	30,906,702
"	"	Summary of other clients	Accounts receivable	No	10,903,083	5,670,011	5,645,161	1.5760%~19.8633%	2	-	Working Capital	89,040	Bank Deposits/ Stocks/ Properties/ Vehicles/ Machinery Equipment	1,060,018	1,931,669	30,906,702
"	"	Summary of other clients	Accounts receivable	No	2,583,908	1,351,354	1,255,852	1.5760%~19.8633%	1	2,277,993		29,931	Properties	240,156	1,931,669	30,906,702
"	"	Chuang Ju Limited Partnership	Accounts receivable	Yes	1,200,000	300,000	300,000	1.5760%~19.8633%	2	-	Working Capital	-	None	-	1,931,669	30,906,702
3	Chalease Consumer Finance Co., Ltd.	A	Accounts receivable	No	462	223	223	2%-19%	2	-	Working Capital	1	None	-	594,130	5,941,304
"	"	B	Accounts receivable	No	512	220	220	2%-19%	2	-	Working Capital	1	None	-	594,130	5,941,304
"	"	C	Accounts receivable	No	330	95	95	2%-19%	2	-	Working Capital	3	None	-	594,130	5,941,304
"	"	D	Accounts receivable	No	217	34	34	2%-19%	2	-	Working Capital	-	None	-	594,130	5,941,304
"	"	E	Accounts receivable	No	299	25	25	2%-19%	2	-	Working Capital	-	None	-	594,130	5,941,304
"	"	Summary of other clients	Accounts receivable	No	1,657	-	-	2%-19%	1	30,521		-	None	-	594,130	5,941,304
"	"	Summary of other clients	Accounts receivable	No	12,192	-	-	2%-19%	2	-	Working Capital	-	None	-	594,130	5,941,304
"	"	Chuang Ju Limited Partnership	Accounts receivable	Yes	400,000	400,000	400,000	2%-19%	2	-	Working Capital	-	None	-	594,130	5,941,304
4	Chalease International Finance Corporation	A	Receivable-short term financing	No	59,819	54,956	54,956	4.35%~17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642
"	"	B	Receivable-short term financing	No	52,524	48,025	48,025	4.35%~17%	2	-	Working Capital	-	Real estate	7,809	1,994,080	15,952,642
"	"	C	Receivable-short term financing	No	43,770	41,338	41,338	4.35%~17%	2	-	Working Capital	-	Vehicles	1,182	1,994,080	15,952,642
"	"	D	Receivable-short term financing	No	30,639	29,788	29,788	4.35%~17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount/limits (Note 3)
													Item	Value		
4	Chalease International Finance Corporation	E	Receivable-short term financing	No	30,639	28,937	28,937	4.35%-17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642
"	"	F	Receivable-short term financing	No	30,365	28,724	28,724	4.35%-17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642
"	"	G	Receivable-short term financing	No	28,451	27,356	27,356	4.35%-17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642
"	"	H	Receivable-short term financing	No	27,137	27,137	-	4.35%-17%	2	-	Working Capital	-	None	-	1,994,080	15,952,642
"	"	I	Receivable-short term financing	No	27,137	26,384	26,384	4.35%-17%	2	-	Working Capital	-	Vehicles	-	1,994,080	15,952,642
"	"	J	Receivable-short term financing	No	26,809	24,985	24,985	4.35%-17%	2	-	Working Capital	-	Equipment	6,140	1,994,080	15,952,642
"	"	Summary of other clients	Business relationship	No	81,751	47,904	47,904	4.35%-17%	1	123,431	-	-	Vehicles/ Equipment	18,519	1,994,080	15,952,642
"	"	Summary of other clients	Receivable-short term financing	No	2,383,263	1,663,474	1,597,819	4.35%-17%	2	-	Working Capital	48,945	Vehicles/ Real estate/ Equipment/ Properties	156,423	1,994,080	15,952,642
"	"	Chalease International Corp.	Receivables from related party	Yes	2,626,200	2,626,200	-	4.35%-17%	2	-	Working Capital	-	None	-	9,970,401	15,952,642
"	"	Chalease Finance International Corp.	Receivables from related party	Yes	1,313,100	1,313,100	-	4.35%-17%	2	-	Working Capital	-	None	-	9,970,401	15,952,642
"	"	JonRuei Finance Corporation.	Receivables from related party	Yes	30,639	30,639	-	4.35%-17%	2	-	Working Capital	-	None	-	9,970,401	15,952,642
"	"	Chalease Commercial Factoring Corporation.	Receivables from related party	Yes	875,400	875,400	-	4.35%-17%	2	-	Working Capital	-	None	-	9,970,401	15,952,642
5	Chalease Specialty Finance Co., Ltd.	A	Accounts receivable	No	193,250	193,250	193,250	0.75%-13.08%	2	-	Working Capital	1,817	None	-	540,101	6,481,211
"	"	B	Accounts receivable	No	150,000	145,000	145,000	0.75%-13.08%	2	-	Working Capital	1,363	None	-	540,101	6,481,211
"	"	C	Accounts receivable	No	150,000	120,000	120,000	0.75%-13.08%	2	-	Working Capital	1,128	None	-	540,101	6,481,211
"	"	D	Accounts receivable	No	157,500	97,500	66,375	0.75%-13.08%	2	-	Working Capital	624	None	-	540,101	6,481,211
"	"	E	Accounts receivable	No	93,263	93,263	93,263	0.75%-13.08%	2	-	Working Capital	877	None	-	540,101	6,481,211
"	"	F	Accounts receivable	No	92,000	87,400	87,400	0.75%-13.08%	2	-	Working Capital	822	None	-	540,101	6,481,211
"	"	G	Accounts receivable	No	160,000	80,000	80,000	0.75%-13.08%	2	-	Working Capital	752	None	-	540,101	6,481,211
"	"	H	Accounts receivable	No	130,000	70,000	70,000	0.75%-13.08%	2	-	Working Capital	658	Funds Beneficiary Certification	2,575	540,101	6,481,211
"	"	I	Accounts receivable	No	80,000	67,250	67,250	0.75%-13.08%	2	-	Working Capital	632	None	-	540,101	6,481,211
"	"	J	Accounts receivable	No	120,000	65,000	-	0.75%-13.08%	2	-	Working Capital	-	None	-	540,101	6,481,211
"	"	Summary of other clients	Accounts receivable	No	1,591,757	687,502	653,522	0.75%-13.08%	2	-	Working Capital	17,613	Properties	18,695	540,101	6,481,211

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount/limits (Note 3)
													Item	Value		
6	Chailase Finance Securitization Trust 2019	A	Accounts receivable	No	20,799	13,295	13,295	4.00%~12.88%	2	-	Working Capital	106	None	-	53,301	1,045,149
"	"	B	Accounts receivable	No	16,523	11,772	11,772	4.00%~12.88%	2	-	Working Capital	94	None	-	53,301	1,045,149
"	"	C	Accounts receivable	No	28,726	11,478	11,478	4.00%~12.88%	1	140,243		92	None	-	53,301	1,045,149
"	"	D	Accounts receivable	No	20,776	10,548	10,548	4.00%~12.88%	1	36,093		84	Bank Deposits	5,000	53,301	1,045,149
"	"	E	Accounts receivable	No	18,989	9,461	9,461	4.00%~12.88%	1	24,000		76	Bank Deposits	1,800	53,301	1,045,149
"	"	F	Accounts receivable	No	13,407	9,015	9,015	4.00%~12.88%	2	-	Working Capital	72	None	-	53,301	1,045,149
"	"	G	Accounts receivable	No	23,696	8,062	8,062	4.00%~12.88%	2	-	Working Capital	64	Bank Deposits	3,000	53,301	1,045,149
"	"	H	Accounts receivable	No	16,082	7,901	7,901	4.00%~12.88%	1	19,000		63	Bank Deposits	3,800	53,301	1,045,149
"	"	I	Accounts receivable	No	9,087	7,523	7,523	4.00%~12.88%	2	-	Working Capital	60	None	-	53,301	1,045,149
"	"	J	Accounts receivable	No	17,929	7,227	7,227	4.00%~12.88%	1	80,000		58	Bank Deposits	5,000	53,301	1,045,149
"	"	Summary of other clients	Accounts receivable	No	699,524	199,170	199,170	4.00%~12.88%	2	-	Working Capital	2,556	Bank Deposits	65,100	53,301	1,045,149
"	"	Summary of other clients	Accounts receivable	No	366,695	132,084	132,084	4.00%~12.88%	1	1,070,792		1,057	Bank Deposits	49,760	53,301	1,045,149
7	Chailase International Corp.	Chailase International Finance Corporation	Receivables from related party	Yes	875,400	875,400	-	3.85%~4.35%	2	-	Working Capital	-	None	-	809,867	1,295,787
"	"	Chailase International Corp.	Receivables from related party	Yes	437,700	437,700	-	3.85%~4.35%	2	-	Working Capital	-	None	-	809,867	1,295,787
8	Chailase International Corp.	Chailase International Finance Corporation	Receivables from related party	Yes	875,400	875,400	-	3.85%~4.35%	2	-	Working Capital	-	None	-	1,274,480	2,039,167
"	"	Chailase International Corp.	Receivables from related party	Yes	437,700	437,700	-	3.85%~4.35%	2	-	Working Capital	-	None	-	1,274,480	2,039,167

Note 1: (1)Those with business relationship please fill in 1;

(2)Those necessary for short-term financing please fill in 2.

Note 2: Limit on the amount for loaning fund to individual counter-party

(0)The Company— The maximum fund loaning provided by Chailase Holding Company Limited for individual entity cannot exceed \$9,549,574, which is 10% of the net worth.

(1)Subsidiary— The maximum fund loaning provided by Chailase Finance Co., Ltd. for individual entity cannot exceed \$4,545,314, which is 10% of the net worth.

(2)Subsidiary— The maximum fund loaning provided by Fina Finance & Trading Co., Ltd. for individual entity cannot exceed \$1,931,669, which is 10% of the net worth.

(3)Subsidiary— The maximum fund loaning provided by Chailase Consumer Finance Co., Ltd. for individual entity cannot exceed \$594,130, which is 10% of the net worth.

(4)Subsidiary— The maximum fund loaning provided by Chailase International Finance Corporation for individual entity cannot exceed \$1,994,080, which is 5% of the net worth. The maximum fund loaning cannot exceed \$9,970,401, which is 25% of the net worth to individual associate.

(5)Subsidiary— The maximum fund loaning provided by Chailase Specialty Finance Co., Ltd. for individual entity cannot exceed \$540,101, which is 10% of the net worth.

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- (6)Special purpose entities – The maximum fund loaning provided by Chailease Finance Securitization Trust 2019 for an individual entity cannot exceed \$53,301, which is 1% of the securitized financial assets approved by the competent authority.
- (7)Subsidiary – The maximum fund loaning provided by Chailease International Corp. for individual entity cannot exceed \$161,973, which is 5% of the net worth. The maximum fund loaning cannot exceed \$809,867, which is 25% of the net worth to individual associate.
- (8)Subsidiary – The maximum fund loaning provided by Chailease Finance International Corp. for individual entity cannot exceed \$254,896, which is 5% of the net worth. The maximum fund loaning cannot exceed \$1,274,480, which is 25% of the net worth to individual associate.

Note 3: Limit on the amount for loaning fund

- (0)The Company – The total amount of fund loaning provided by Chailease Holding Company Limited cannot exceed \$95,495,740, which is the net worth; the total amount of fund loaning for short-term financing cannot exceed \$38,198,296, which is 40% of the net worth of the most recent financial statement.
- (1)Subsidiary – The total amount of fund loaning provided by Chailease Finance Co., Ltd. cannot exceed \$81,815,643, which is 180% of the net worth; the total amount of fund loaning for short-term financing cannot exceed \$45,453,135, which is the net worth of the most recent financial statement.
- (2)Subsidiary – The total amount of fund loaning provided by Fina Finance & Trading Co., Ltd. cannot exceed \$30,906,702, which is 160% of the net worth; the total amount of fund loaning for short-term financing cannot exceed \$19,316,689, which is the net worth of the most recent financial statement.
- (3)Subsidiary – The total amount of fund loaning provided by Chailease Consumer Finance Co., Ltd. cannot exceed \$5,941,304, which is the net worth; the total amount of fund loaning for short-term financing cannot exceed \$2,376,522, which is 40% of the net worth of the most recent financial statement.
- (4)Subsidiary – The total amount of fund loaning provided by Chailease International Finance Corporation cannot exceed \$15,952,642, which is 40% of the net worth of the most recent financial statement.
- (5)Subsidiary – The total amount of fund loaning provided by Chailease Specialty Finance Co., Ltd. cannot exceed \$6,481,211, which is 120% of the net worth; the total amount of fund loaning for short-term financing cannot exceed \$2,160,404, which is 40% of the net worth of the most recent financial statement.
- (6)Special purpose entities – The total amount of fund loaning provided by Chailease Finance Securitization Trust 2019 cannot exceed \$1,045,149, which is the book value of the subordinated debt securities; the total amount of fund loaning for short-term financing cannot exceed \$533,015, which is 10% of the securitized financial assets approved by the competent authority.
- (7)Subsidiary – The total amount of fund loaning provided by Chailease International Corp. cannot exceed \$1,295,787, which is 40% of the net worth of the most recent financial statement.
- (8)Subsidiary – The total amount of fund loaning provided by Chailease Finance International Corp. cannot exceed \$2,039,167, which is 40% of the net worth of the most recent financial statement.

Note 4: Counter parties

- (1)Subsidiary – Chailease Finance Co., Ltd.: There are 6,057 counter parties altogether during the period, the above table only disclosed the related parties and the top 20 counter parties.
- (2)Subsidiary – Fina Finance & Trading Co., Ltd.: There are 891 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (3)Subsidiary – Chailease Consumer Finance Co., Ltd.: There are 19 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (4)Subsidiary – Chailease International Finance Corporation: There are 199 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (5)Subsidiary – Chailease Specialty Finance Co., Ltd.: There are 101 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (6)Special purpose entities – Chailease Finance Securitization Trust 2019: There are 153 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (7)Subsidiary – Chailease International Corp.: There is 2 counter party during the period.
- (8)Subsidiary – Chailease Finance International Corp.: There is 2 counter party during the period.
- (9)Chailease Consumer Finance Co., Ltd. is the Limited partnership of Chuang Ju Limited Partnership.

Note 5: Subject to the contracts, we use letters instead of the real name of counter parties.

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**2. Guarantees and endorsements for other parties:**

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement/ guarantee amount provided to each guaranteed party	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note1)										
0	The Company	Chailase International Finance Corporation	2	190,991,480	64,364,025	56,576,460	39,472,174	-	59.25 %	477,478,700	Y		Y
"	"	Chailase International Leasing Company Limited	2	190,991,480	2,238,500	-	-	-	- %	477,478,700	Y		
"	"	Chailase International Company (Malaysia) Limited	2	190,991,480	1,152,400	1,139,200	113,920	-	1.19 %	477,478,700	Y		
"	"	Chailase Berjaya Credit Sdn. Bhd.	2	47,747,870	10,030,951	9,127,260	8,244,560	-	9.56 %	477,478,700	Y		
"	"	Chailase Royal Leasing Plc.	2	47,747,870	2,702,005	2,563,200	1,007,595	-	2.68 %	477,478,700	Y		
"	"	Chailase Royal Finance Plc.	2	47,747,870	1,993,600	1,993,600	999,728	-	2.09 %	477,478,700	Y		
"	"	Chailase Berjaya Finance Corporation	2	47,747,870	2,056,600	1,670,385	378,035	-	1.75 %	477,478,700	Y		
1	Chailase Finance Co., Ltd.	Chailase Finance (B.V.I.) Co., Ltd.	2	90,906,270	149,900	-	-	-	- %	227,265,675	Y		
"	"	Chailase Auto Rental Co., Ltd.	2	90,906,270	5,174,700	5,094,400	3,540,000	-	11.21 %	227,265,675	Y		
"	"	Chailase Consumer Finance Co., Ltd.	2	90,906,270	5,670,000	5,670,000	1,290,000	-	12.47 %	227,265,675	Y		
"	"	Chailase Specialty Finance Co., Ltd.	2	90,906,270	300,000	200,000	-	-	0.44 %	227,265,675	Y		
"	"	Apex Credit Solutions Inc.	2	90,906,270	160,000	-	-	-	- %	227,265,675	Y		
"	"	Chailase International Leasing Company Limited	2	90,906,270	13,603,026	13,603,026	8,429,415	-	29.93 %	227,265,675	Y		
"	"	Chailase International Trading Company Limited	2	90,906,270	1,270,075	1,110,210	294,537	-	2.44 %	227,265,675	Y		
"	"	Yun Tang Inc.	2	90,906,270	1,206,741	1,206,741	856,741	-	2.65 %	227,265,675	Y		
"	"	Chailase Credit Services Co., Ltd.	2	90,906,270	36,000	36,000	11	-	0.08 %	227,265,675	Y		
"	"	Chailase Energy Integration Co., Ltd.	2	90,906,270	730,000	680,000	-	-	1.50 %	227,265,675	Y		
"	"	Chailase Power Technology Co., Ltd.	2	90,906,270	1,350,000	1,350,000	400,000	-	2.97 %	227,265,675	Y		
"	"	Chung Ho Energy Integration Co., Ltd.	2	90,906,270	20,000	20,000	-	-	0.04 %	227,265,675	Y		
"	"	Chung Yen Energy Integration Co., Ltd.	2	90,906,270	20,000	20,000	-	-	0.04 %	227,265,675	Y		
"	"	Chung Cheng Energy Integration Co., Ltd.	2	90,906,270	20,000	20,000	-	-	0.04 %	227,265,675	Y		
"	"	Ho Lien Energy Integration Co., Ltd.	2	90,906,270	20,000	20,000	-	-	0.04 %	227,265,675	Y		
"	"	Grand Pacific Financing Corp.	2	95,495,740	3,267,000	3,075,840	785,336	-	6.77 %	227,265,675			
"	"	Chailase International Financial Services Co., Ltd.	2	95,495,740	33,469,835	24,452,928	14,690,799	-	53.80 %	227,265,675			
"	"	Chailase International Financial Services (Singapore) Pte. Ltd.	2	95,495,740	11,738,160	11,738,160	6,943,397	-	25.82 %	227,265,675			

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No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement/ guarantee amount provided to each guaranteed party	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note1)										
2	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	2	10,832,072	252,450	238,900	181,564	-	4.41 %	27,080,180	Y		
3	Chaillease International Finance Corporation	Chaillease International Corp.	2	79,763,209	9,158,270	8,261,328	4,703,812	-	20.71 %	199,408,022	Y		Y
"	"	Chaillease Finance International Corp.	2	79,763,209	8,894,266	8,874,368	5,657,561	-	22.25 %	199,408,022	Y		Y
"	"	DMC Energy Management Services (Shenzhen) Co., Ltd.	4	79,763,209	97,290	-	-	-	%	199,408,022			Y
4	Grand Pacific Holding Corp.	Grand Pacific Financing Corp.	2	1,096,565	151,250	85,440	28,480	-	3.90 %	1,096,565	Y		

Note 1: (1)The Company has business with the receiving parties.

(2)The Company holds directly or indirectly more than 50% of the common stock of the subsidiaries.

(3)The Company hold directly or indirectly more than 50% by the investee.

(4)The stockholders of the Company provide guarantee for the investee to their stockholding percentage.

(5)Others: According to the Regulations Governing Loaning of Funds and Making of guarantees and endorsements by Public Companies article 5, paragraph 2, guarantees made between companies in which the public company holds, directly or indirectly, 100% of the voting shares have no restriction on the guarantees amount.

Note 2: If the financial statements included contingent loss, the amount stated shall be indicated.

Note 3: The maximum guarantees and endorsements cannot exceed five times of net worth of the Company. The maximum guarantees and endorsements for individual counter party cannot exceed 50% of net worth of the Company. The amount of guarantees and endorsements for the subsidiaries in which be hold more than 80% of its outstanding common shares cannot exceed double of net worth of the Company.

Note 4: Subsidiary— The total amount of guarantees and endorsements provided by Chaillease Finance Co., Ltd.(CFC) cannot exceed five times of its net worth, and guarantees for a individual entity cannot exceed 50% of its net worth. The amount of guarantees and endorsements for subsidiaries in which be hold more than 80% of its outstanding common shares cannot exceed double of its net worth; and if the guarantees and endorsements are for business purpose, the amount cannot exceed the transaction amount during last year. The total amount of guarantees and endorsements for the Company holds directly or indirectly 100% of the investee cannot exceed the net worth of the Company, the maximum guarantees and endorsements cannot exceed five times of net worth of CFC.

Note 5: Subsidiary— The total amount of guarantees and endorsements provided by Chaillease Finance Co., Ltd. for Chaillease International Financial Services Co., Ltd., Chaillease International Financial Services (Singapore) Pte. Ltd., Chaillease Energy Intergation Co., Ltd., Chaillease Power Technology Co., Ltd., Chaillease Specialty Finance Co., Ltd., Chaillease Auto Rental Co., Ltd., and Yun Tang Inc. is \$9,578,784. The total amount has been adjusted.

Note 6: Subsidiary— The maximum guarantees and endorsements provided by Asia Sermkij Leasing Public Company Limited cannot exceed five times of its net worth. The maximum of guarantees and endorsements for individual counter party cannot exceed double of its net worth.

Note 7: Subsidiary— The maximum and the total amount of guarantees and endorsements provided by Grand Pacific Holding Corp. cannot exceed five times of its capital.

Note 8: Subsidiary— The maximum guarantees and endorsements provided by Chaillease International Finance Corporation cannot exceed five times of net worth of the most recent financial statement. The maximum guarantees and endorsements for individual counter party cannot exceed 50% of its net worth. The individual counter party holding shares to the company are exceed 50% and the maximum guarantees and endorsements cannot exceed double of its net worth.

Note 9: The total amount of guarantees and endorsements provided by the Company for Chaillease International Finance Corporation and Chaillease International Corp. is CNY110,000 thousand (\$481,470). The total amount has been disclosed in the balance of guarantees and endorsements for Chaillease International Corp.

Note 10: The total amount of guarantees and endorsements provided by the Company for Chaillease International Finance Corporation and Chaillease Finance International Corp. is CNY100,000 thousand (\$437,700). The total amount has been disclosed in the balance of guarantees and endorsements for Chaillease Finance International Corp.

Note 11: The total amount of guarantees and endorsements provided by the Company for Golden Bridge (B.V.I.) Corp. and Chaillease International Company (Malaysia) Limited is USD10,000 thousand (\$284,800). The total amount has been adjusted.

Note 12: The total amount of guarantees and endorsements provided by the Company for Chaillease Royal Finance Plc. and Chaillease Royal Leasing Plc. is USD10,000 thousand (\$284,800). The total amount has been adjusted.



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**3. Securities held at the end of the period (excluding investment in subsidiaries, associates and joint ventures) :**

(Amounts Expressed in Thousands of New Taiwan Dollars)

Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		Fair value (Note 1)	
Chalease Finance Co., Ltd	China Development Financial Holding Corp	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	1,250	11,625	-	%	11,625	-
"	CTBC FINANCIAL HOLDING CO., LTD.	"	"	600	11,820	-	%	11,820	-
"	Fubon Financial Holdings Co., Ltd.	"	"	200	9,350	-	%	9,350	-
"	Unimicron Technology Corporation	"	"	150	13,110	-	%	13,110	-
"	TA-I TECHNOLOGY CO.,LTD	"	"	130	11,180	-	%	11,180	-
"	Forcera Materials Co., Ltd	"	"	130	480	-	%	480	-
"	UNI-PRESIDENT ENTERPRISES CORP.	"	"	125	8,437	-	%	8,437	-
"	Ta Chen Stainless Pipe Co., Ltd.	"	"	100	3,130	-	%	3,130	-
"	Formosa Petrochemical Corporation	"	"	65	6,487	-	%	6,487	-
"	Hon Hai Precision Industry Co., Ltd.	"	"	60	5,520	-	%	5,520	-
"	YAGEO CORPORATION	"	"	12	6,216	-	%	6,216	-
"	M31Technology Corporation	"	"	10	3,375	-	%	3,375	-
"	FORMOSA CHEMICALS & FIBRE CORP.	"	"	180	15,246	-	%	15,246	-
"	Nanya Technology Corporation	"	"	160	13,888	-	%	13,888	-
"	Formosa Plastics Corporation	"	"	130	12,532	-	%	12,532	-
"	ADATA TECHNOLOGY CO., LTD.	"	"	105	7,665	-	%	7,665	-
"	WALSIN TECHNOLOGY CORPORATION	"	"	25	5,763	-	%	5,763	-
"	WIN SEMICONDUCTORS CORP.	"	"	25	8,650	-	%	8,650	-
"	MediaTek Inc.	"	"	20	14,940	-	%	14,940	-
"	ADVANCED CERAMIC X CORPORATION	"	"	15	7,650	-	%	7,650	-
"	Sensortek Technology Corp.	"	"	10	6,800	-	%	6,800	-
"	LOTES CO., LTD	"	"	9	4,271	-	%	4,271	-
"	Webi &Net Internet Services Inc.	"	"	250	-	10.53	%	-	-(Note 2)

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	Skanhex Technology Inc.	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	5,273	-	4.53 %	-	-	%(Note 2)
"	Rosun Technologies, Inc.	"	"	182	-	- %	-	-	%Percentage of ownership less than 0.01% (Note 2)
"	EastWest Pharmaceuticals	"	"	242	-	5.84 %	-	-	%(Note 2)
"	Azanda Network Devices	"	"	714	-	- %	-	-	%Percentage of ownership less than 0.01% (Note 2)
"	Sampotech Co., Ltd.	"	"	369	-	0.10 %	-	-	%(Note 2)
"	Deerport	"	"	-	-	10.48 %	-	-	%Shareholding less than 1,000 shares (Note 2)
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	35,009	-	35,009	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	21,071	- %	21,071	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	25,182	- %	25,182	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	15,033	- %	15,033	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	9,858	- %	9,858	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	38,101	- %	38,101	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	35,098	- %	35,098	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	30,263	- %	30,263	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	12,009	- %	12,009	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	7,707	- %	7,707	-	%
"	Yuanta Securities Co., Ltd.'s Convertible Bond	"	"	-	2,504	- %	2,504	-	%
"	MasterLink Securities Corporation's Convertible Bond	"	"	-	10,114	- %	10,114	-	%
"	MasterLink Securities Corporation's Convertible Bond	"	"	-	28,151	- %	28,151	-	%
"	MasterLink Securities Corporation's Convertible Bond	"	"	-	10,115	- %	10,115	-	%
"	MasterLink Securities Corporation's Convertible Bond	"	"	-	20,055	- %	20,055	-	%
"	MasterLink Securities Corporation's Convertible Bond	"	"	-	15,231	- %	15,231	-	%

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	MasterLink Securities Corporation's Convertible Bond	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	-	6,066	- %	6,066	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	7,026	- %	7,026	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	15,162	- %	15,162	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	30,079	- %	30,079	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	25,214	- %	25,214	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	17,734	- %	17,734	- %	
"	SinoPac Securities Corporation's Convertible Bond	"	"	-	31,328	- %	31,328	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	34,220	- %	34,220	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	15,117	- %	15,117	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	10,133	- %	10,133	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	20,118	- %	20,118	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	12,666	- %	12,666	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	10,037	- %	10,037	- %	
"	KGI Securities Co. LTD.'s Convertible Bond	"	"	-	5,047	- %	5,047	- %	
"	Fubon Securities Co., Ltd. Convertible Bond	"	"	-	5,031	- %	5,031	- %	
"	China Real Estate Management Co., Ltd.	—	Current financial assets at amortized cost	-	162,398	- %	162,398	- %	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	48,500	- %	48,500	- %	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	20,920	- %	20,920	- %	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	258,063	- %	258,063	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	71,200	- %	71,200	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	90,000	- %	90,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	35,000	- %	35,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	3,500	- %	3,500	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,000	- %	50,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	55,000	- %	55,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	54,000	- %	54,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	81,000	- %	81,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	60,900	- %	60,900	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	9,000	- %	9,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	26,000	- %	26,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	20,000	- %	20,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	45,000	- %	45,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	60,000	- %	60,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	25,000	- %	25,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	275,790	- %	275,790	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	57,000	- %	57,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	613,450	-	613,450	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	20,000	-	20,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	47,500	-	47,500	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	104,000	-	104,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	65,000	-	65,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	43,000	-	43,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	235,000	-	235,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	140,000	-	140,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	30,000	-	30,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	40,500	-	40,500	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	139,000	-	139,000	-	%
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	90,000	-	90,000	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	333,000	-	333,000	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	796,412	-	796,412	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	69,000	-	69,000	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,000	-	50,000	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	48,915	-	48,915	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	56,000	-	56,000	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	61,600	-	61,600	-	%
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	52,900	-	52,900	-	%

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	360,000	- %	360,000	-	%
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	44,620	- %	44,620	-	%
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	16,387	- %	16,387	-	%
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	160,000	- %	160,000	-	%
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	10,000	- %	10,000	-	%
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	67,980	- %	67,980	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	117,880	- %	117,880	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	160,000	- %	160,000	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	55,000	- %	55,000	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	10,500	- %	10,500	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	87,400	- %	87,400	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	15,650	- %	15,650	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,000	- %	50,000	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	63,000	- %	63,000	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	73,000	- %	73,000	-	%
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	38,250	- %	38,250	-	%

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		Fair value (Note 1)	
Chailease Finance Co., Ltd	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	100,000	-	%	100,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	147,000	-	%	147,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	217,000	-	%	217,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	466,910	-	%	466,910	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	72,900	-	%	72,900	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	189,000	-	%	189,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	119,870	-	%	119,870	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	32,000	-	%	32,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	408,000	-	%	408,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	8,116	-	%	8,116	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	31,300	-	%	31,300	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	105,618	-	%	105,618	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,500	-	%	29,500	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	6,450	-	%	6,450	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	21,704	-	%	21,704	-

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		Fair value (Note 1)	
Chailease Finance Co., Ltd	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	26,442	-	%	26,442	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	83,850	-	%	83,850	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	53,000	-	%	53,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	58,195	-	%	58,195	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	37,800	-	%	37,800	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	277,176	-	%	277,176	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	44,761	-	%	44,761	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	25,230	-	%	25,230	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	232,000	-	%	232,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	25,500	-	%	25,500	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	32,000	-	%	32,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	200,000	-	%	200,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	51,000	-	%	51,000	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	49,280	-	%	49,280	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	27,000	-	%	27,000	-



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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	67,000	-	67,000	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	56,500	-	56,500	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	98,400	-	98,400	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	92,950	-	92,950	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	76,960	-	76,960	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	113,366	-	113,366	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	112,500	-	112,500	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	113,000	-	113,000	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	370,625	-	370,625	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	26,000	-	26,000	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	220,000	-	220,000	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	200,000	-	200,000	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	170,870	-	170,870	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	53,970	-	53,970	-	%
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	35,900	-	35,900	-	%

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		Fair value (Note 1)	
Chailease Finance Co., Ltd	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	40,000	-	%	40,000	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	36,086	-	%	36,086	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	51,500	-	%	51,500	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	48,500	-	%	48,500	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	100,000	-	%	100,000	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	241,600	-	%	241,600	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	152,780	-	%	152,780	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	53,002	-	%	53,002	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	20,286	-	%	20,286	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	169,000	-	%	169,000	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	13,742	-	%	13,742	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	110,640	-	%	110,640	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	141,129	-	%	141,129	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	45,330	-	%	45,330	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	52,600	-	%	52,600	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	52,260	-	%	52,260	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	82,072	-	%	82,072	-

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	99,780	- %	99,780	- %	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	573,000	- %	573,000	- %	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	49,200	- %	49,200	- %	
"	Bank of FEI's Beneficial Right of the Real Estate Trust	—	"	-	79,780	- %	79,780	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	83,000	- %	83,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	21,000	- %	21,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	280,000	- %	280,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	33,200	- %	33,200	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	60,800	- %	60,800	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,000	- %	42,000	- %	
"	Global Glory Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	20,700	- %	20,700	- %	
"	Chung Ho Real Estate Management Co., Ltd.	—	"	-	1,560,000	- %	1,560,000	- %	
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	144,000	- %	144,000	- %	
"	United Real Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	59,500	- %	59,500	- %	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	68,000	- %	68,000	- %	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	173,000	- %	173,000	- %	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		Fair value (Note 1)	
Chailease Finance Co., Ltd	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	20,050	-	%	20,050	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	146,000	-	%	146,000	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	6,350	-	%	6,350	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	2,000	-	%	2,000	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	7,500	-	%	7,500	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	3,099	-	%	3,099	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	323,900	-	%	323,900	- %
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	69,588	-	%	69,588	- %
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	141,135	-	%	141,135	- %
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	663,000	-	%	663,000	- %
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	121,550	-	%	121,550	- %
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	189,500	-	%	189,500	- %
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	15,000	-	%	15,000	- %
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	7,820	-	%	7,820	- %
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	14,520	-	%	14,520	- %

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd	O-Bank	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	92,694	642,370	3.06 %	642,370	-	%
"	Subton Technology Co., Ltd.	"	"	288	4,261	0.10 %	4,261	-	%
"	Spring House Entertainment Tech Inc.	"	"	688	9,273	4.67 %	9,273	-	%
"	Tekcon Electronics Corp.	"	"	137	1,153	0.52 %	1,153	-	%
"	Ecomsoftware Inc.	"	"	130	2,598	2.60 %	2,598	-	%
"	Kingmax Technology Inc.	"	"	2,081	21,043	4.73 %	21,043	-	%
"	Everterminal Co., Ltd.	"	"	490	5,331	0.50 %	5,331	-	%
"	Crownpo Technology Inc.(former name:SMTEK INC. )	"	"	57	900	0.51 %	900	-	%
"	Book4u Co., Ltd.	"	"	9	88	0.19 %	88	-	%
"	Phoenix Innovation Technology Venture Capital Corporation	"	"	1,000	10,000	2.34 %	10,000	-	%
"	U-Ming Marine Transport Corp.	"	"	270	9,963	0.03 %	9,963	-	%
"	Chin Poon	"	"	380	12,046	0.10 %	12,046	-	%
"	CTCI Corp.	"	"	770	29,414	0.10 %	29,414	-	%
Chailease Specialty Finance Co., Ltd.	Linkou amusement Co., Ltd.(Stock)	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	-	36,708	-	36,708	-	%
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	46,800	-	46,800	-	%
"	Agora Garden Taipei	—	"	-	1,300,000	-	1,300,000	-	%
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	2,800	-	2,800	-	%
Chailease Energy Integration Inc. Co.	International Ocean Vessel Technical Consultant Co., LTD.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	908	19,728	0.11 %	19,728	-	%
Bangkok Grand Pacific Lease Public Company Limited	Bangkok Club Co., Ltd.(stock)	"	"	64	202	0.14 %	202	0.14 %	
Asia Sermkij Leasing Public Co., Ltd.	Swe Trans Group Co., Ltd.	"	"	10	6,195	0.19 %	6,195	0.19 %	
"	Bumrungrad Hospital(stock)	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	59	6,708	-	6,708	-	%

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Grand Pacific Holding Corp.	Mobileshift, Inc.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	359	7,120	0.03 %	7,120	0.03 %	
"	Stemcyte Inc.	"	"	38	1,424	0.15 %	1,424	0.15 %	
Grand Pacific Financing Corp.	Swabplus Inc.	"	"	10	-	- %	-	- %	
"	Mobileshift, Inc.	"	"	358	7,120	0.03 %	7,120	0.03 %	
"	Stemcyte Inc.	"	"	38	1,424	0.15 %	1,424	0.15 %	
Chaillease International Company (Malaysia) Limited	Anywhere 2 GO Co. Ltd CB	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	-	65,974	- %	65,974	- %	
"	The Future Commerce Sdn. Bhd	"	Non-current financial assets at fair value through profit or loss	-	19,025	- %	19,025	- %	
"	Logicsnesia PTE LTD	"	"	-	9,122	- %	9,122	- %	

Note 1: Listed companies use price in the open market, and non-listed companies use its net worth. The aforementioned net worths were calculated in financial statements audit by accountants.

Note 2: The chance of recover of the decrease in net worth and continuous losses is insignificant; therefore, they belong to permanent reduction.

Note 3: The aforementioned inter-company transactions have been eliminated upon the consolidation.

**4. Aggregate purchases or sales of the same securities reaching NT\$300 million or 20 percent of paid-in capital or more :**

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	Golden Bridge (B.V.I.) Corp.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
"	Chaillease International Financial Services (Singapore) Pte. Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-
My Leasing (Mauritius) Corp.	Chaillease International Financial Services (Singapore) Pte. Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chaillease International Finance Corporation	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chaillease Finance International Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-

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Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailease Finance Co., Ltd.	Chung Ho Real Estate Management Co., Ltd.	Financial assets at amortized cost	-	-	-	-	-	1,560,000	-	-	-	-	-	1,560,000
"	Taipei Star Bank Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	226,900	-	-	182,280	-	-	44,620
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	239,920	-	556,492	-	-	-	-	-	796,412
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	360,000	-	-	-	-	-	360,000
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	333,000	-	-	-	-	-	333,000
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	240,000	-	320,000	-	-	280,000	-	-	280,000
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	663,000	-	-	-	-	-	663,000
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	276,800	-	150,280	-	-	279,530	-	-	147,550
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	500,000	-	-	-	-	500,000	-	-	-
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	235,000	-	-	235,000	-	-	-
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	"	-	-	-	205,254	-	142,000	-	-	206,125	-	-	141,129
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	"	-	-	-	188,810	-	92,580	-	-	236,060	-	-	45,330
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	"	-	-	-	429,000	-	36,000	-	-	465,000	-	-	-

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Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
Chalease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	Financial assets at amortized cost	-	-	-	300,600	-	16,000	-	-	316,600	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	347,460	-	526,410	-	-	260,960	-	-	612,910
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	44,500	-	149,680	-	-	121,280	-	-	72,900
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	774,066	-	-	-	-	774,066	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	397,000	-	-	291,382	-	-	105,618
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	535,928	-	231,542	-	-	741,028	-	-	26,442
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	516,000	-	-	238,824	-	-	277,176
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	208,000	-	256,000	-	-	232,000	-	-	232,000
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	323,900	-	-	-	-	-	323,900
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	117,550	-	157,700	-	-	275,250	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	241,880	-	-	192,600	-	-	49,280
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	572,200	-	71,000	-	-	643,200	-	-	-
"	The Bank of East Asia Limited Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	890,000	-	-	-	-	890,000	-	-	-



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Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
Chailase Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
"	My Leasing (B.V.I.) Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chung Cheng Energy Integration Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Ho Lien Energy Integration Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chung Ho Energy Integration Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chung Yen Energy Integration Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailase International Finance Corporation	Chailase International Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-
"	Chailase International Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailase Specialty Finance Co., Ltd.	Agora Garden Taipei	Financial assets at amortized cost	-	-	-	1,000,000	-	300,000	-	-	-	-	-	1,300,000

Note 1: Securities accounted under equity method only need to fill in the first two columns.

Note 2: The aforementioned inter-company transactions have been eliminated upon consolidation.

- 5.Acquisition of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
- 6.Disposal of real estate reaching NT\$300 million or 20 percent of paid-in capital or more: None.
- 7.Purchases or sales of goods from or to related parties reaching NT\$100 million or 20 percent of paid-in capital or more: None.
- 8.Accounts receivable from related parties reaching NT\$100 million or 20 percent of paid-in capital or more:

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailase Finance Co., Ltd.	Chuang Ju Limited Partnership	Subsidiaries	1,005,362	-	-		-	-
"	Chailase International Finance Corporation	Associates	157,572	-	-		-	-
"	Chailase Berjaya Credit Sdn. Bhd.	Associates	135,675	-	-		-	-
Fina Finance & Trading Co., Ltd	Chuang Ju Limited Partnership	Subsidiaries	304,991	-	-		-	-
My Leasing (Mauritius) Corp.	Chailase Holding Company Limited	Subsidiaries	1,225,352	-	-		-	-

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Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailease International Financial Services Co., Ltd.	Chailease International Fortune Corp (Liberia)	Associates	228,671	-	-		-	-
"	Chailease International Financial Services(Singapore) Pte. Ltd.	Associates	5,665,918	-	-		-	-
"	Chailease International Company(Malaysia) Limited	Associates	1,816,060	-	-		-	-
"	Chailease International Financial Services (Liberia) Corp.	Associates	428,207	-	-		-	-
Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd.	Associates	942,292	-	-		-	-
Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited	Subsidiaries	1,817,274	-	-		-	-
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public company Limited.	Subsidiaries	3,702,950	-	-		-	-
Chailease Consumer Finance Co.,Ltd.	Chuang Ju Limited Partnership	Subsidiaries	401,070	-	-		-	-
Chailease International Company (UK) Limited	C&E Engine Leasing Limited	Associates	1,566,207	-	-		-	-

Note: The aforementioned inter-company transactions have been eliminated upon consolidation.

9.Trading in derivative instruments: Please reference to Note (6)(b).

10.Others: The business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions between them:

No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
1	Chailease Finance Co., Ltd	Chailease International Finance Corporation ∙ Chailease Berjaya Credit Sdn. Bhd. ∙ Golden Bridge (B.V.I.) Corp.	3	Other financial assets-current	344,697	Same as normal transactions	0.06 %
1	"	Chuang Ju Limited Partnership	3	Financing and interest receivable	1,005,362	"	0.17 %
1	"	Fina Finance & Trading Co., Ltd.	3	Operating cost and expenses	81,855	"	0.14 %
1	"	Chailease Berjaya Credit Sdn. Bhd. ∙ Fina Finance & Trading Co., Ltd. ∙ Chailease Consumer Finance Co., Ltd ∙ Chailease International Finance Corporation ∙ Chailease Royal Leasing Plc. ∙ Golden Bridge (B.V.I.) Corp. ∙ Chailease International Leasing Company Limited (Vietnam)	3	Operating revenues and non-operating income	793,647	"	1.33 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
2	Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd.	3	Financing and interest receivable	942,292	Same as normal transactions	0.16 %
3	Chailease International Finance Corporation	Chailease Finance Co., Ltd.	3	Other financial liabilities-current	157,572	"	0.03 %
3	"	Chailease Finance Co., Ltd. 、Jirong Real Estate Co., Ltd	3	Operating cost and expenses	303,647	"	0.51 %
4	Chailease International Leasing Company Limited	Chailease Finance Co., Ltd.	3	Operating cost and expenses	56,313	"	0.09 %
5	Golden Bridge ( B.V.I.) Corp.	Chailease Finance Co., Ltd.	3	Other financial liabilities-current	51,450	"	0.01 %
"	"	"	3	Operating cost and expenses	53,352	"	0.01 %
6	My Leasing (Mauritius) Corp.	Chailease Holding Company Limited	2	Other financial assets-current	1,225,352	"	0.21 %
7	Chailease International Company (UK) Limited	Chailease International Company(Malaysia) Limited	3	Borrowings and interest payable	1,817,274	"	0.21 %
"	"	"	3	Operating cost and expenses	74,725	"	0.13 %
8	Chailease International Financial Services Co., Ltd.	Chailease International Fortune Corp (Liberia) 、Chailease International Company (Malaysia) Limited 、Chailease International Financial Services (Singapore) Pte. Ltd. 、Chailease International Financial Services (Liberia) Corp.	3	Financing and interest receivable	8,138,856	"	1.37 %
"	"	Chailease International Financial Services (Labuan) Co., Ltd.	3	Capital leases receivable	1,310,625	"	0.22 %
"	"	Chailease International Financial Services (Singapore) Pte. Ltd. 、Chailease International Company (Malaysia) Limited	3	Operating revenues and non-operating income	156,594	"	0.26 %
"	"	Chailease Finance (B.V.I.) Company,Ltd.	3	Borrowings and interest payable	942,292	"	0.16 %
9	Jirong Real Estate Co., Ltd	Chailease International Finance Corporation	3	Operating revenues and non-operating income	147,655	"	0.25 %
10	Chailease Royal Leasing Plc.	Chailease Finance Co., Ltd.	3	Operating cost and expenses	54,567	"	0.09 %
11	Chailease International Financial Services (Liberia) Corp.	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	428,207	"	0.07 %
12	Chailease International Fortune Corp (Liberia)	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	228,671	"	0.04 %
13	Chailease International Company (Malaysia) Limited	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,816,060	"	0.31 %
"	"	Chailease International Company (UK) Limited	3	Financing and interest receivable	1,817,274	"	0.31 %
"	"	"	3	Operating revenues and non-operating income	74,725	"	0.13 %
"	"	Chailease International Financial Services Co., Ltd.	3	Operating cost and expenses	66,370	"	0.11 %
14	Chailease Berjaya Credit Sdn. Bhd.	Chailease Finance Co., Ltd.	3	Other financial liabilities-current	135,675	"	0.02 %
"	"	"	3	Operating cost and expenses	134,476	"	0.23 %
15	Chailease International Financial Services (Labuan) Co., Ltd.	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,310,625	"	0.22 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
16	Chailase International Financial Services (Singapore) Pte Ltd	Chailase International Financial Services Co., Ltd.	3	Borrowings and interest payable	5,665,918	Same as normal transactions	9.53 %
"	"	"	3	Operating cost and expenses	90,224	"	0.15 %
17	Asia Sermkij leasing public Co, Ltd	Bangkok Grand Pacific Lease Public Company Limited	3	Other financial assets-current	3,702,950	"	0.62 %
"	"	Bangkok Grand Pacific Lease Public Company Limited 、SK Insurance broker	3	Operating revenues and non-operating income	186,076	"	0.31 %
18	Bangkok Grand Pacific Lease Public Company Limited	Asia Sermkij leasing public Co, Ltd	3	Borrowings and interest payable	3,702,950	"	0.62 %
"	"	"	3	Operating cost and expenses	116,263	"	0.20 %
19	SK Insurance broker	Asia Sermkij leasing public Co, Ltd	3	Operating cost and expenses	69,813	"	0.12 %
20	Fina Finance & Trading Co., Ltd.	Chuang Ju Limited Partnership	3	Financing and interest receivable	304,991	"	0.05 %
"	"	Chailase Finance Co., Ltd 、Chailase Consumer Finance Co., Ltd	3	Operating cost and expenses	361,155	"	0.61 %
"	"	Chailase Finance Co., Ltd.	3	Operating revenues and non-operating income	81,855	"	0.14 %
21	Chailase Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	3	Financing and interest receivable	401,070	"	0.07 %
"	"	Chailase Finance Co., Ltd.	3	Operating cost and expenses	81,714	"	0.14 %
"	"	Fina Finance & Trading Co., Ltd.	3	Operating revenues and non-operating income	103,922	"	0.17 %
22	Chuang Ju Limited Partnership	Chailase Finance Co., Ltd 、Fina Finance & Trading Co., Ltd. 、Chailase Consumer Finance Co., Ltd	3	Borrowings and interest payable	1,711,422	"	0.29 %

Note 1: Descriptions of numbers are as follows:

- 1.Parent company is coded "0".
- 2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationship is categorized as follows:

- 1.Transactions from parent company to subsidiary.
- 2.Transactions from subsidiary to parent company.
- 3.Transactions from subsidiary to subsidiary.

Note 3: Business transaction less than 50 million is not required to be disclosed.

Note 4: The aforementioned inter-company transactions have been eliminated upon consolidation.

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(b) Information on investees :

The information on investees of the Group for the year ended December 31, 2020 is as follows (excluding information on investment in Mainland China) :

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
The Company	Chalease International Company (Malaysia) Limited	Malaysia	Investment	24,553,038	19,036,462	1,389,372	100.00 %	48,599,941	100.00 %	8,452,477	8,452,477	
"	Chalease International Financial Services Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	2,762,560	2,762,560	97,000	100.00 %	5,443,694	100.00 %	752,297	752,297	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing leasing, real estate, and mortgage	139,304	139,304	3,927	51.00 %	1,117,504	51.00 %	86,286	44,006	
"	Golden Bridge (B.V.I.) Corp. and its subsidiaries	British Virgin Islands	Investment	16,530,064	12,258,064	506,150	100.00 %	42,507,253	100.00 %	8,105,195	8,105,195	
"	Chalease International Company (Hong Kong) Limited	Hong Kong	Investment	244,928	244,928	8,600	100.00 %	239,548	100.00 %	(6,265)	(6,265)	
"	Chalease International Financial Services (Liberia) Corp.	Liberia	Leasing	168,725	168,725	-	100.00 %	202,857	100.00 %	24,666	24,666	share holding less than 1,000 shares
"	Chalease International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	6,702	6,702	30	100.00 %	1,529	100.00 %	(1,850)	(1,850)	
"	Chalease International Fortune Corp (Liberia)	Liberia	Leasing	285	-	10	100.00 %	2,124	100.00 %	1,907	1,907	
"	Chalease International Financial Services Co. (Singapore) Pte. Ltd.	Singapore	Financing	3,225,413	-	109,000	100.00 %	3,327,023	100.00 %	231,155	54,793	(Note 2)
Chalease International Company (Malaysia) Limited	Chalease International (B.V.I.) Corp.	British Virgin Islands	Investment	-	285	-	- %	-	- %	-	-	(Note 3)
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	442,518	425,731	41,799	11.88 %	643,425	11.88 %	838,838	99,654	
"	Chalease International Company (UK) Limited	U.K.	Consulting, aircraft leasing and investment	28,086,952	22,541,951	567,087	100.00 %	45,388,792	100.00 %	8,272,770	8,272,770	
"	Chalease Berjaya Credit Sdn. Bhd.	Malaysia	Installment sales	594,125	475,300	87,500	70.00 %	975,066	70.00 %	226,969	158,878	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailease International Company (Malaysia) Limited	Chailease Royal Leasing Plc.	Cambodia	Leasing	85,440	85,440	3,000	60.00 %	211,394	60.00 %	85,728	51,437	
"	Chailease Royal Finance Plc.	Cambodia	Financing	170,652	102,300	6,312	60.00 %	186,623	60.00 %	45,330	27,198	
"	Yellowstone Holding AG	Swiss	Investment	203,522	169,602	630,000	35.00 %	163,111	35.00 %	(27,511)	(9,629)	
"	Chailease Berjaya Finance Corporation	Philippines	Leasing and financing	240,301	158,247	410,000	63.08 %	115,485	63.08 %	(132,413)	(79,448)	
"	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	-	48.00 %	1,144	-	
"	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	4,000	4,000	-	48.00 %	3,941	48.00 %	(102)	(49)	
"	Chailease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	395,935	385,593	-	48.00 %	347,167	48.00 %	(8,501)	(4,080)	
"	Diamond Rain Group Limited	British Virgin Islands	Investment	629,772	479,056	18,212	35.28 %	589,844	35.28 %	(162,054)	(57,173)	
"	Chailease Capital (Thailand) Co., Ltd.	Thailand	Investment	60,872	-	19,600	49.00 %	64,271	49.00 %	7,187	3,522	
Chailease Berjaya Credits Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Malaysia	Insurance Brokers	679	679	100	100.00 %	4,621	100.00 %	3,712	3,712	
"	Chailease Services Sdn. Bhd.	Malaysia	Insurance Brokers	679	679	100	100.00 %	2,221	100.00 %	1,235	1,235	
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Taiwan	Installment sales, leasing and factoring	25,753,826	20,036,268	2,076,050	100.00 %	45,453,135	100.00 %	8,984,812	8,984,812	
"	C&E Engine Leasing Limited	Ireland	Leasing	641,327	641,327	22,519	50.00 %	683,716	50.00 %	86,376	43,188	
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Taiwan	Installment sales, trading and factoring	9,991,242	6,891,242	861,000	100.00 %	19,350,979	100.00 %	2,841,680	2,841,680	
"	Chailease Specialty Finance Co., Ltd.	Taiwan	Installment sales	5,137,496	5,137,496	201,561	100.00 %	5,401,009	100.00 %	267,646	267,646	
"	My Leasing (B.V.I.) Corp.	British Virgin Islands	Investment	-	484,160	-	- %	-	100.00 %	29,483	29,483	(Note 4)
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	803,759	803,759	128,837	36.61 %	1,982,811	36.61 %	838,838	307,099	
"	Chailease Finance (B.V.I.) Company, Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	1,165,117	1,165,117	40,910	100.00 %	1,234,952	100.00 %	18,628	18,628	

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				December 31, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailase Finance Co., Ltd.	Apex Credit Solutions Inc.	Taiwan	Accounts receivable management, valuation, trading in financial instruments	-	60,939	-	- %	-	100.00 %	17,449	17,449	(Note 5)
"	Chung Hung Corp.	Taiwan	Foreign trade of machinery, equipment, transportation and leasing	-	1,000	-	- %	-	28.57 %	(2)	-	(Note 6)
"	Chailase International Leasing Company Limited (Vietnam)	Vietnam	Leasing	700,922	700,922	-	100.00 %	1,528,509	100.00 %	285,967	285,967	
"	Chailase Auto Rental Co., Ltd.	Taiwan	Leasing	1,352,227	1,352,227	141,339	100.00 %	1,590,368	100.00 %	162,712	162,712	
"	Chailase Insurance Brokers Co., Ltd.	Taiwan	Personal and property insurance brokers	8,000	8,000	800	100.00 %	71,892	100.00 %	55,640	55,640	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing leasing, real estate, and mortgage	117,016	117,016	3,773	49.00 %	1,073,680	49.00 %	86,286	42,280	
"	Chailase Cloud Service Co., Ltd.	Taiwan	Software of cloud products, leasing and installment sales	10,000	10,000	1,000	100.00 %	6,034	100.00 %	384	384	
"	Yun Tang Inc.	Taiwan	Solar power business	445,000	445,000	-	100.00 %	514,558	100.00 %	37,135	37,135	
"	Chailase Energy Integration Co., Ltd.	Taiwan	Solar power business	50,000	50,000	5,000	100.00 %	738,125	100.00 %	645,590	645,590	
"	Chailase Finance Securitization Trust 2016	Taiwan	Special purpose entity	-	880,589	-	- %	-	100.00 %	51,497	51,497	(Note 7)
"	Chailase Power Technology Co., Ltd.	Taiwan	Solar power business	250,000	250,000	25,000	100.00 %	265,269	100.00 %	14,575	14,575	
"	Chailase International Trading Company Limited (Vietnam)	Vietnam	Trading	142,400	142,400	-	100.00 %	176,701	100.00 %	21,805	21,805	
"	Chung Cheng Energy Integration Co., Ltd.	Taiwan	Solar power business	303,400	1,000	30,340	100.00 %	303,148	100.00 %	(179)	(179)	
"	Ho Lien Energy Integration Co., Ltd.	Taiwan	Solar power business	2,660,588	1,000	266,059	100.00 %	2,659,147	100.00 %	(1,369)	(1,369)	
"	Chailase Finance Securitization Trust 2019	Taiwan	Special purpose entity	1,045,149	1,045,149	-	100.00 %	1,024,740	100.00 %	324,965	324,965	
"	Tai Yuan Energy Intergration Co., Ltd.	Taiwan	Solar power business	180,050	-	18,005	100.00 %	179,192	100.00 %	(858)	(858)	
"	Chung Ho Energy Integration Co., Ltd.	Taiwan	Solar power business	1,612,124	-	161,212	100.00 %	1,611,629	100.00 %	(495)	(495)	
"	Chung Yen Energy Integration Co., Ltd.	Taiwan	Solar power business	302,900	-	30,290	100.00 %	302,464	100.00 %	(436)	(436)	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2020			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailase Finance Co., Ltd.	TUNG FENG INC.	Taiwan	Solar power business	34,010	-	-	100.00 %	33,889	100.00 %	(121)	(121)	
"	He To Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	423	100.00 %	(77)	(77)	
"	Chung Yu Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	423	100.00 %	(77)	(77)	
"	Jung Yu Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	423	100.00 %	(77)	(77)	
"	Chung Wei Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	423	100.00 %	(77)	(77)	
Fina Finance & Trading Co., Ltd.	Chailase Consumer Finance Co., Ltd.	Taiwan	Factoring, trading-in, management, and valuation on accounts receivable; installment sales; financial instrument	4,152,436	2,652,436	309,434	100.00 %	5,941,304	100.00 %	747,009	747,009	
"	Chailase Credit Services Co., Ltd.	Taiwan	Installment sales and leasing	10,101	10,101	1,000	100.00 %	11,046	100.00 %	986	986	
Chailase Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	3,300,000	1,800,000	-	- %	3,666,253	- %	366,253	366,253	(Note 8)
Chailase Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	1,500,000	1,500,000	-	- %	1,663,038	- %	163,038	163,038	(Note 9)
Chailase Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	- %	-	-	(Note 8)
Chailase Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	- %	-	-	(Note 9)
Chailase International Company (Hong Kong) Limited	PT Chailase Indonesia Finance	Indonesia	Financing	228,375	228,375	1,125,000	75.00 %	223,567	75.00 %	(8,238)	(6,179)	
"	Chailase Management Consulting Co., Limited	Hong Kong	Consulting	1,837	-	-	100.00 %	2,532	100.00 %	721	721	
	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	93,740	-	5,276	1.50 %	81,198	1.50 %	838,838	7,373	

Note 1: The aforementioned inter-company transactions have been eliminated upon consolidation.

Note 2: The Company acquired Chailase International Financial Services Co. (Singapore) Pte. Ltd. from My Leasing (Mauritius) Corp. on October 27, 2020.

Note 3: Chailase International (B.V.I.) Corp. was liquidated on April 14, 2020.

Note 4: My Leasing (B.V.I.) Corp. has reduced its capital and returned its entire all shares on September 1, 2020, with the liquidation process still in progress.

Note 5: Apex Credit Solutions Inc. was merged by Chailase Consumer Financial Co., Ltd. on June 15, 2020.

Note 6: Chung Hung Corp. was liquidated on May 27, 2020.

Note 7: Chailase Finance Securitization trust 2016 was terminated on October 23, 2020.

Note 8: Chailase Consumer Financial Co., Ltd. is the limited partner, and Chailase Credit Services Co., Ltd. is the general partner.

Note 9: Chailase Specialty Financial Co., Ltd. is the limited partner, and Chailase Cloud Services Co., Ltd. is the general partner.



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(c) Information on investment in Mainland China:

1.Related information on investment in Mainland China:

Name of the Investee Company	Principal Business Activities	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2020	Net Income (Losses) of the Investee	Percentage of Ownership	Percentage of Ownership	Share of profits/losses (Note 2)	Carrying Amount as of December 31, 2020	Accumulated Inward Remittance of Earnings as of December 31, 2020
					Outflow	Inflow							
Chailase International Finance Corporation	Leasing	10,878,770	(2)	-	-	-	-	8,526,584	97.89 %	97.89 %	8,343,262	40,668,103	2,993,440
Chailase Finance International Corp.	Leasing	3,987,200	(2)	-	-	-	-	832,277	98.41 %	98.41 %	819,044	5,016,861	-
Chailase International Corp.	Trading	2,363,580	(2)	-	-	-	-	505,887	97.89 %	97.89 %	495,190	3,170,966	-
Jirong Real Estate Co., Ltd.	House property leasing and management	744,090	(2)	-	-	-	-	12,933	97.89 %	97.89 %	12,660	747,140	-
DMC Energy Management Services (Shenzhen) Co., Ltd.	Environmental business	109,425	(2)	-	-	-	-	(2,258)	19.57 %	19.57 %	(784)	19,463	-
Chailase International Commercial Factoring Corporation	Factoring	218,850	(2)	-	-	-	-	2,170	97.89 %	97.89 %	2,124	216,394	-

Note 1: The methods for engaging in investment in Mainland China include the following:

- 1.Direct investment in China companies.
- 2.Indirectly invested in China company through third region.
- 3.Others.

Note 2: Investment gains and losses were recognized based on the financial reports audited by the subsidiary certified public accountants.

Note 3: The limit is not calculated because the Company is foreign company.

Note 4: All numbers are disclosed in NT dollars. The amounts involved with foreign currency are converted to NT dollars by using exchange rates on the financial report date.

Note 5: Current investment gains and losses and book values at the end of the period are included the amounts of direct and indirect investments.

Note 6: The aforementioned inter-company transactions have been eliminated upon consolidation.

2.Limit on the amount of investment in Mainland China area: None.

3.Significant transactions:

The aforementioned intercompany transaction have been eliminated upon consolidation for the year ended December 31, 2020, please refer to Note (13) (a).

(d) Major shareholders: There were no shareholders whose shareholding ratio exceeded 5%.

**(14) Segment Information**

- (a) The Group's reportable segments include operations in Taiwan, China, ASEAN and other areas. These segments engage mainly in installment sales and leasing. The Group uses operating profit as the measurement for segment profit and the basis of performance assessment.

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- (b) Information about profit or loss and assets and liabilities the report amount is similar to that in the report used by the chief operating decision maker.

Operating segment financial information:

<b>For the year ended December 31, 2020</b>	<b>Taiwan</b>	<b>China</b>	<b>ASEAN</b>	<b>Others</b>	<b>Elimination</b>	<b>Total</b>
<b>Revenue</b>						
Revenue from external customers	\$ 29,859,070	22,596,447	6,656,356	365,886	-	59,477,759
Intersegment revenue	1,452,354	123,496	300,300	-	(1,876,150)	-
Interest revenue	18,123	159,686	37,770	815	-	216,394
<b>Total revenue</b>	<b>\$ 31,329,547</b>	<b>22,879,629</b>	<b>6,994,426</b>	<b>366,701</b>	<b>(1,876,150)</b>	<b>59,694,153</b>
Interest expenses	\$ 2,690,718	4,479,017	1,564,269	106,378	-	8,840,382
Depreciation and amortization	\$ 4,060,289	335,644	155,387	9,430	-	4,560,750
Share of profit (loss) of associates and joint ventures accounted for using equity method	\$ (1)	(784)	-	43,189	-	42,404
<b>Reportable segment profit or loss</b>	<b>\$ 9,468,256</b>	<b>8,681,386</b>	<b>1,363,799</b>	<b>182,879</b>	<b>-</b>	<b>19,696,320</b>
<b>Reportable segment assets</b>	<b>\$ 328,868,241</b>	<b>200,955,829</b>	<b>69,085,318</b>	<b>5,734,098</b>	<b>(14,682,123)</b>	<b>589,961,363</b>
<b>Reportable segment liabilities</b>	<b>\$ 279,197,048</b>	<b>158,835,237</b>	<b>59,367,272</b>	<b>3,607,258</b>	<b>(14,682,123)</b>	<b>486,324,692</b>
<b>For the year ended December 31, 2019</b>						
<b>Revenue</b>						
Revenue from external customers	\$ 25,661,179	26,409,077	6,645,451	416,525	-	59,132,232
Intersegment revenue	1,358,519	103,259	374,325	-	(1,836,103)	-
Interest revenue	10,637	102,181	17,764	666	-	131,248
<b>Total revenue</b>	<b>\$ 27,030,335</b>	<b>26,614,517</b>	<b>7,037,540</b>	<b>417,191</b>	<b>(1,836,103)</b>	<b>59,263,480</b>
Interest expenses	\$ 2,545,270	3,632,262	1,522,207	112,818	-	7,812,557
Depreciation and amortization	\$ 3,376,141	328,084	130,815	10,234	-	3,845,274
Share of profit (loss) of associates and joint ventures accounted for using equity method	\$ (49)	1,653	-	46,478	-	48,082
<b>Reportable segment profit or loss</b>	<b>\$ 8,394,017</b>	<b>7,642,483</b>	<b>1,346,662</b>	<b>698,011</b>	<b>-</b>	<b>18,081,173</b>
<b>Reportable segment assets</b>	<b>\$ 274,040,298</b>	<b>158,100,562</b>	<b>64,458,843</b>	<b>5,731,634</b>	<b>(8,314,310)</b>	<b>494,017,027</b>
<b>Reportable segment liabilities</b>	<b>\$ 237,318,431</b>	<b>126,132,340</b>	<b>55,484,906</b>	<b>3,482,373</b>	<b>(8,314,310)</b>	<b>414,103,740</b>

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(c) Information about the products and services

Revenue from the external customers of the Group was as follows:

<b>Products and services</b>	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Sales revenue	\$ 4,210,818	12,916,446
Interest revenue - installment sales	10,880,685	9,542,085
Interest revenue - capital lease	20,718,562	17,392,662
Rental revenue - operating leases	3,820,500	3,383,399
Interest revenue - loans	5,065,606	4,657,584
Other interest revenue	6,270,379	4,984,254
Other operating revenue	8,511,209	6,255,802
<b>Total</b>	<b>\$ 59,477,759</b>	<b>59,132,232</b>

(d) Geographical information

Please refer to Note (14)(b) for the related information on the Group's reportable segments by geographical location.

(e) Reconciliation information for segment income (loss)

1. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that of the statement of comprehensive income. A reconciliation of reportable segment income and profit for the years ended December 31, 2020 and 2019 is provided as follows:

	<b>For the years ended December 31,</b>	
	<b>2020</b>	<b>2019</b>
Reportable segment income	\$ 19,696,320	18,081,173
Management segment loss	(2,157,899)	(1,983,614)
<b>Profit for the period</b>	<b>\$ 17,538,421</b>	<b>16,097,559</b>

2. A reconciliation of reportable segment assets as of December 31, 2020 and 2019 is provided as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Reportable segment assets	\$ 604,643,486	502,331,337
Management segment assets	5,178,531	5,150,895
Elimination	(16,498,183)	(10,144,373)
<b>Total assets</b>	<b>\$ 593,323,834</b>	<b>497,337,859</b>

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3.A reconciliation of reportable segment liabilities as of December 31, 2020 and 2019 is provided as follows:

	<b>2020.12.31</b>	<b>2019.12.31</b>
Reportable segment liabilities	\$ 501,006,815	422,418,050
Management segment liabilities	8,836,332	11,126,162
Elimination	<u>(16,498,183)</u>	<u>(10,144,373)</u>
Total liabilities	<b><u>\$ 493,344,964</u></b>	<b><u>423,399,839</u></b>