

(English Translation of Financial Report Originally Issued in Chinese)
CHAILEASE HOLDING COMPANY LIMITED AND ITS
SUBSIDIARIES
CONDENSED INTERIM CONSOLIDATED FINANCIAL
STATEMENTS
MARCH 31, 2015 AND 2014
(With Independent Accountants' Review Report Thereon)

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Independent Auditors' Review Report

The Board of Directors of Chailease Holding Company Limited :

We have reviewed the accompanying condensed consolidated balance sheets of Chailease Holding Company Limited (the "Company") and its subsidiaries (the "Group") as of March 31, 2015 and 2014, the related condensed consolidated statements of comprehensive income, March 31, 2015 and 2014, consolidated statements of changes in equity, and cash flows for the three month periods then ended. These condensed consolidated financial statements are the responsibility of the Group's management. Our responsibility is to issue a report on these condensed consolidated financial statements based on our reviews.

Except as described in paragraphs 3 and 4, we reviewed these condensed consolidated financial statements in accordance with the Statements of Auditing Standard No.36 "Review of Financial Statements" in the Republic of China. A review consists principally of inquiries of Group's personnel and applying analytical procedures to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Also included in the accompanying condensed consolidated financial statements are the financial statements of certain consolidated subsidiaries, which were not reviewed by independent accountants. These consolidated subsidiaries had total assets of NT\$67,625,639 thousand and NT\$45,003,481 thousand constituting 28% and 22%, respectively, of the Company's consolidated total assets; total liabilities of NT\$55,152,698 thousand and NT\$39,499,464 thousand constituting 27% and 23% of the Company's consolidated total liabilities as of March 31, 2015 and 2014, respectively; comprehensive income of NT\$393,677 thousand, and NT\$290,871 thousand constituting 25% and 17% of the Company's consolidated comprehensive income for the three months ended March 31, 2015 and 2014, respectively.

Long term investments under equity method of NT\$212,760 thousand and NT\$28,556 thousand as of March 31, 2015 and 2014, respectively, and related investment income (loss) thereof amounting to NT \$(8,272) thousand and NT\$(1,543) thousand for the three months ended March 31, 2015 and 2014, respectively, were recognized based upon financial statements prepared by investee companies.



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

We have previously audited the consolidated balance sheets of Chailease Holding Company Limited and its subsidiaries as of December 31, 2014, and the related statements of comprehensive income, change in equity and cash flows for the year then ended in accordance with the “Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants” and auditing standards generally accepted in the Republic of China and we expressed an unqualified opinion on those audited financial statements in our report dated March 26, 2015. In our opinion, the consolidated balance sheets and related disclosures of the Group as of December 31, 2014, are consistent, in all material respects, with the audited condensed consolidated financial statements from which they have been derived.

KPMG

CPA : Wan Wan, Lin
Yi Chun, Chen

Taipei, Taiwan, R.O.C.
May 13, 2015

Note to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with the Guidelines Governing the Preparation of Financial Report by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed by the Financial Supervisory Commissions in the Republic of China and not those of any other jurisdictions. The standards, procedures, and practices to review such financial statements are those generally accepted and applied in the Republic of China.

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

AS OF MARCH 31, 2015 AND 2014 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH THE GENERALLY ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Condensed Consolidated Balance Sheets

March 31, 2015, December 31, 2014, and March 31, 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2015.3.31		2014.12.31		2014.3.31	
		Amount	%	Amount	%	Amount	%
LIABILITIES AND EQUITY							
Current Liabilities :							
	Short-term borrowings (Notes 6(a), (7) and (8))	2100					
	Current financial liabilities at fair value through profit or loss (Note 6(b))	2120					
	Current derivative financial liabilities for hedging (Note 6(b))	2125					
	Accounts and notes payable	2150					
	Current tax liabilities	2230					
	Other current financial liabilities (Note (7))	2305					
	Advance real estate receipts (Notes 6(a) and (7))	2312					
	Long-term liabilities – current portion	2320					
	(Notes 6(a), 6(a), (7) and (8))	2399					
	Other current liabilities – others						

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

REVIEWED ONLY. NOT AUDITED IN ACCORDANCE WITH THE GENERALLY ACCEPTED AUDITING STANDARDS.**CHALEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES****Condensed Consolidated Statements of Comprehensive Income****For the three months ended March 31, 2015 and 2014****(Amounts Expressed in Thousands of New Taiwan Dollars)**

		For the three months ended March 31,			
		2015		2014	
		Amount	%	Amount	%
Operating revenue : (Note (7))					
4111	Sales revenue	\$ 1,635,983	19	1,861,528	22
4810	Interest revenue - installment sales	1,653,794	20	1,553,473	18
4820	Interest revenue - capital leases	2,214,950	26	1,802,786	21
4300	Rental revenue - operating leases	567,646	7	451,368	6
4230	Interest revenue - loans	614,995	7	490,486	6
4240	Other interest revenue	526,687	6	399,310	5
4830	Building and land sales revenue	-	-	750,591	9
4881	Other operating revenue	<u>1,288,994</u>	<u>15</u>	<u>1,137,382</u>	<u>13</u>
		<u>8,503,049</u>	<u>100</u>	<u>8,446,924</u>	<u>100</u>
Operating costs : (Note (7))					
5111	Cost of sales	1,442,862	17	1,645,761	19
5240	Interest expense	1,203,844	14	1,015,436	12
5300	Cost of rental revenue	388,796	5	332,445	4
5800	Other operating costs	<u>189,381</u>	<u>2</u>	<u>722,856</u>	<u>9</u>
		<u>3,224,883</u>	<u>38</u>	<u>3,716,498</u>	<u>44</u>
	Gross profit from operation	5,278,166	62	4,730,426	56
6000	Operating expenses (Note (7))	3,001,129	35	2,572,925	30
6500	Net other income and expenses (Note (6)(p))	<u>65,191</u>	<u>1</u>	<u>35,467</u>	<u>-</u>
	Operating profit	<u>2,342,228</u>	<u>28</u>	<u>2,192,968</u>	<u>26</u>
Non-operating income and expenses :					
7100	Interest income	20,834	-	24,068	-
7020	Other gains and losses (Note (6)(q))	33,120	-	(6,709)	-
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(g))	<u>(8,272)</u>	<u>-</u>	<u>(1,543)</u>	<u>-</u>
		<u>45,682</u>	<u>-</u>	<u>15,816</u>	<u>-</u>
7900	Profit before income tax	2,387,910	28	2,208,784	26
7950	Less: Income tax expense (Note (6)(m))	<u>592,734</u>	<u>7</u>	<u>570,981</u>	<u>7</u>
	Profit for the period	<u>1,795,176</u>	<u>21</u>	<u>1,637,803</u>	<u>19</u>
8300	Other comprehensive income (loss) :				
8310	Exchange differences on translation of foreign financial statements	(246,316)	(3)	180,407	2
8325	Unrealized gains (losses) on available-for-sale financial assets	11,691	-	(106,606)	(1)
8330	Gains (Losses) of effective portion of cash flow hedges	(917)	-	61,408	1
8340	Gains (Losses) of effective portion of hedges of net investment in foreign operations	24,801	1	(53,015)	(1)
8390	Other comprehensive income (loss) - other	-	-	(41,762)	-
8399	Income tax relating to components of other comprehensive income (loss) (Note 6(m))	<u>14,426</u>	<u>-</u>	<u>(9,973)</u>	<u>-</u>
8300	Other comprehensive income (loss) for the period, net of tax	<u>(196,315)</u>	<u>(2)</u>	<u>30,459</u>	<u>1</u>
8500	Total comprehensive income for the period	<u>\$ 1,598,861</u>	<u>19</u>	<u>1,668,262</u>	<u>20</u>
Profit attributable to :					
8610	Owners of parent	\$ 1,709,446	20	1,561,821	18
8620	Non-controlling interests	<u>85,730</u>	<u>1</u>	<u>75,982</u>	<u>1</u>
		<u>\$ 1,795,176</u>	<u>21</u>	<u>1,637,803</u>	<u>19</u>
Comprehensive income attributable to :					
8710	Owners of parent	\$ 1,514,540	18	1,531,282	18
8720	Non-controlling interests	<u>84,321</u>	<u>1</u>	<u>136,980</u>	<u>2</u>
		<u>\$ 1,598,861</u>	<u>19</u>	<u>1,668,262</u>	<u>20</u>
9750	Basic earnings per share (NT dollars) (Note (6)(o))	<u>\$ 1.56</u>		<u>1.43</u>	

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

Condensed Consolidated Statements of Changes in Equity

For the three months ended March 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars)

		Equity attributable to owners of parent							
		Retained Earnings		Other equity items		Equity attributable to owners of the parent			
		Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) of effective portion of cash flow hedges	Gains (losses) of effective portion of hedge of net investment in foreign operations	Others	Equity attributable to owners of the parent
Share capital	9,958,304	64,865	8,215,781	760,510	299,730	(39,919)	2,615	(49,141)	28,624,443
\$	9,958,304	64,865	8,215,781	760,510	299,730	(39,919)	2,615	(49,141)	28,624,443
Net income for the period									
	-	-	1,561,821	-	-	-	-	-	1,561,821
Other comprehensive income for the period									
	-	-	-	109,436	(106,606)	61,408	(53,015)	(41,762)	(30,539)
Total comprehensive income for the period									
	-	-	1,561,821	109,436	(106,606)	61,408	(53,015)	(41,762)	1,531,282
\$	9,958,304	64,865	9,777,602	869,946	193,124	21,489	(50,400)	(90,903)	30,155,725
Balance as of January 1, 2015									
\$	10,954,134	-	12,132,818	1,818,240	152,325	34,939	(161,203)	-	34,338,712
Net income for the period									
	-	-	1,709,446	-	-	-	-	-	1,709,446
Other comprehensive income for the period									
	-	-	-	(230,481)	11,691	(917)	24,801	-	(194,906)
Total comprehensive income for the period									
	-	-	1,709,446	(230,481)	11,691	(917)	24,801	-	1,514,540
\$	10,954,134	-	13,842,264	1,587,759	164,016	34,022	(136,402)	-	35,853,252
Balance as of March 31, 2015									
\$	10,954,134	9,407,459	15,551,710	3,186,009	319,345	33,105	(1,067,604)	2,174,690	38,027,942

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CHALEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Condensed Consolidated Statements of Cash Flows
For the three months ended March 31, 2015 and 2014
(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2015	2014
Cash flows from operating activities :		
Profit before income tax	\$ 2,387,910	2,208,784
Adjustments :		
Adjustments to reconcile profit before income tax to net cash provided by operating activities :		
Depreciation expense	382,037	334,016
Amortization expense	33,974	16,845
(Gain) Loss on financial assets and liabilities at fair value through profit or loss	(17,578)	26,143
Interest expense	1,203,844	1,015,436
Interest income	(5,031,260)	(4,270,123)
Share of loss of associates and joint ventures accounted for using equity method	8,272	1,543
Gain on disposal of property, plant and equipment	(24,784)	(15,942)
Gain on disposal of investments	-	(10,246)
Impairment loss on financial assets	993,959	765,687
Impairment loss on non-financial assets	52,045	48,647
Total adjustments to reconcile profit (loss)	(2,399,491)	(2,087,994)
Change in operating assets and liabilities :		
Change in operating assets :		
Increase in financial assets held for trading	(61,556)	(167,515)
Increase in accounts receivable	(4,097,737)	(9,325,591)
Proceeds from financial assets securitization	-	1,219,976
Decrease in inventories	-	554,792
Increase in other current financial assets	(1,430,546)	(491,396)
Decrease in other current assets	224,205	389,395
Proceeds from sales of operating lease assets	142,892	264,366
Purchase of operating lease assets	(706,243)	(589,933)
(Increase) Decrease in other non-current assets – others	(751,518)	14,241
Total changes in operating assets	(6,680,503)	(8,131,665)
Changes in operating liabilities :		
Decrease in accounts payable	(182,381)	(1,314,867)
Increase in long-term and short-term debts	59,762,961	61,009,582
Repayment of long-term and short-term debts	(52,803,617)	(51,973,736)
Decrease in other current financial liabilities	(258,735)	(401,693)
Increase in accrued pension liabilities	3,929	1,046
Increase (decrease) in other current liabilities-others	1,304	(480,075)
Increase in other non-current liabilities	40,254	66,677
Total changes in operating liabilities	6,563,715	6,906,934
Total changes in operating assets and liabilities	(116,788)	(1,224,731)
Total adjustments	(2,516,279)	(3,312,725)
Cash outflow generated from operation	(128,369)	(1,103,941)
Interest received	5,044,235	4,227,044
Interest paid	(1,159,686)	(950,737)
Income taxes paid	(516,817)	(164,146)
Net cash provided by operating activities	3,239,363	2,008,220
Cash flows from investing activities :		
Acquisition of available-for-sale financial assets	(48,730)	-
Proceeds from disposal of available-for-sale financial assets	-	18,766
Acquisition of held-to-maturity financial assets	(984,340)	(2,424,886)
Disposal of held-to-maturity financial assets	2,433,198	67,500
Acquisition of property, plant and equipment	(40,024)	(49,669)
Disposal of property, plant and equipment	13,118	17,431
Acquisition of intangible assets	(785)	(11)
Net cash provided by (used in) investing activities	1,372,437	(2,370,869)
Effect of exchange rate changes on cash and cash equivalents	(74,861)	147,148
Net increase (decrease) in cash and cash equivalents	4,536,939	(215,501)
Cash and cash equivalents, net of bank overdraft, beginning of period	8,330,204	7,502,137
Cash and cash equivalents, net of bank overdraft, end of period	\$ 12,867,143	7,286,636

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

AS OF MARCH 31, 2015 AND 2014 REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH THE GENERALLY

ACCEPTED AUDITING STANDARDS.

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

(1) Overview

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

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

As of March 31, 2015 and 2014, the Company had outstanding common stock of \$10,954,134 and \$9,958,304 divided into 1,095,413,456 shares and 995,830,415 shares, respectively.

(2) Financial Statements Authorisation Date and Authorisation Process

The condensed interim consolidated financial statements were reported to and approved for issue by the Board of Directors on May 13, 2015.

(3) New Accounting Standards and Interpretations Adopted

- (a) Effect of new issuances of or amendments to IFRSs as endorsed by the Financial Supervisory Commission ("FSC").

The Group has adopted the 2013 version of IFRS (not including IFRS 9, 'Financial instruments') as endorsed by the FSC in preparing the consolidated financial statements. The related new standards, interpretations and amendments are as follows:

New Standards, Interpretations and Amendments	IASB Effective Date
Limited exemption from comparative IFRS 7 disclosures for first-time adopters (amendment to IFRS 1)	July 1, 2010
Severe hyperinflation and removal of fixed dates for first-time adopters (amendment to IFRS 1)	July 1, 2011
Government loans (amendment to IFRS 1)	January 1, 2013
Disclosures - transfers of financial assets (amendment to IFRS 7)	July 1, 2011
Disclosures-Offsetting financial assets and financial liabilities (amendment to IFRS 7)	January 1, 2013
IFRS 10, "Consolidated financial statements"	January 1, 2013 (Investment entities are required to adopt on January 1, 2014)
IFRS 11, "Joint arrangements"	January 1, 2013
IFRS 12, "Disclosure of interests in other entities"	January 1, 2013
IFRS 13, "Fair value measurement"	January 1, 2013

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CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

New Standards, Interpretations and Amendments	IASB Effective Date
Presentation of items of other comprehensive income (amendment to IAS 1)	July 1, 2012
Deferred tax: Recovery of underlying assets (amendment to IAS 12)	January 1, 2012
Employee benefits (as amendment to IAS 19)	January 1, 2013
Separate financial statements (as amendment to IAS 27)	January 1, 2013
Offsetting financial assets and financial liabilities (amendment to IAS 32)	January 1, 2014
IFRIC 20, "Stripping costs in the production phase of a surface mine"	January 1, 2013

Based on the Group's assessment, the adoption of the 2013 version of IFRS has no significant impact on the consolidated financial statements of the Group, except for the following:

1. IAS 1 Presentation of Financial Statements

This standard requires that an entity present separately the items of other comprehensive income that would be classified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently, an entity that presents items of other comprehensive income before related tax effects would also have to allocate the aggregate tax amount between these classifications. The Group has adopted the new presentation method regulated by the standard. Also, the comprehensive income statements for comparative periods are restated.

2. IFRS 13 Fair Value Measurement

This standard revised the definition of fair value, provides a framework for measuring fair value, and requires disclosures on fair value measurement. The Group has disclosed the information required by the standard (Please refer to note 6(19).) However, for the new disclosure requirement, comparison with prior periods is not needed. Also, the Company has postponed the application of the new fair value measurement, according to the transitional implementation guidance. As the adoption of this standard will be postponed until after 2015, the Group does not expect any significant influence on its financial condition and performance.

(b) New standards, interpretations and amendments not endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the 2013 version of IFRS as endorsed by the FSC :

New Standards, Interpretations and Amendments	IASB Effective Date
IFRS 9, "Financial instruments"	January 1, 2018
Sale or contribution of assets between an investor and its associate or joint venture (amendments to IFRS 10 and IAS 28)	January 1, 2016
Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)	January 1, 2016

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CHALEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

New Standards, Interpretations and Amendments	IASB Effective Date
Acquisition of an interests in joint operations (amendments to IFRS 11)	January 1, 2016
IFRS 14 "Regulatory deferral accounts"	January 1, 2016
IFRS 15 "Revenue from contracts with customers"	January 1, 2017
Disclosure initiative (amendments to IAS 1)	January 1, 2016
Clarification of acceptable methods of depreciation and amortization (amendments to IAS 16 and 38)	January 1, 2016
Bearer plants (amendments to IAS 16 and IAS 41)	January 1, 2016
Services related contributions from employees or third parties (amendments to IAS 19)	July 1, 2014
Equity method in separate financial statements (amendments to IAS 27)	January 1, 2016
Recoverable amount disclosures for non-financial assets (amendments to IAS 36)	January 1, 2014
Novation of derivatives and continuation of hedge accounting (amendments to IAS 39)	January 1, 2014
The Annual Improvements : 2010-2012 & 2011-2013 Cycles	July 1, 2014
The Annual Improvements to IFRS : 2012-2014 Cycles	January 1, 2016
IFRIC 21, "Levies"	January 1, 2014

The Group is assessing the potential impact of the new standards, interpretations and amendments above and has not yet been able to reliably estimate their impact on the consolidated financial statements.

(4) Significant Accounting Policies

(a) Statement of compliance

The accompanying condensed interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and guidelines of IAS 34 "Interim Financial Reporting," endorsed by FSC. Such condensed interim consolidated financial statements, however, do not include all of the information required for full annual financial statements by International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by the FSC (hereinafter referred to as "IFRS as endorsed by the FSC").

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CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES

Notes to the Condensed Interim Consolidated Financial Statements

March 31, 2015 and 2014

(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Except as described in the following paragraphs, the significant accounting policies adopted in the preparation of the accompanying condensed interim consolidated financial statements are applied consistently with those of the consolidated financial statements for the year ended December 31, 2014. For other related information, please refer to Note (4) of the consolidated financial statements for the year ended December 31, 2014. In addition, the consolidated financial statement will fully adopt the 2013 IFRS version that was approved and endorsed by the Financial Supervisory Commission of the Republic of China commencing from 2015.

For the impact of adopting the IFRS 2013 version, which is endorsed by FSC and effective in 2015, please refer to note 3(a).

(b) Basis of consolidation

The accounting principles applied in the preparation of the condensed interim consolidated financial statements are consistent with those of the consolidated financial statements for the year ended December 31, 2014. For information about the accounting principles, please refer to Note (4)(c) of the consolidated financial statements for the year ended December 31, 2014.

1. Subsidiaries included in the condensed interim consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2015.3.31	2014.12.31	2014.3.31	
The Company	Chailase International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	100.00 %	
"	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
"	Chailase International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	100.00 %	
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chailase International Finance Corporation	Leasing	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp. and Chailase International Finance Corporation	Chailase Finance International Corp.	Leasing	100.00 %	100.00 %	100.00 %	
Chailase International Finance Corporation	Chailase International Corp.	Trading	100.00 %	100.00 %	100.00 %	
"	Jirong Real Estate Co., Ltd.	House property leasing and management	100.00 %	100.00 %	100.00 %	

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2015.3.31	2014.12.31	2014.3.31	
Chailease International Company (Malaysia) Limited	Chailease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	100.00 %	
"	Chailease International (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Liberia) Corp.	Leasing	100.00 %	100.00 %	100.00 %	Funded in November 24, 2014
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	99.54 %	99.54 %	99.53 %	
"	China Leasing Co., Ltd.	Installment sales	100.00 %	100.00 %	100.00 %	
"	My Leasing (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
Chailease International Company (Malaysia) Limited and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	48.18 %	Although the Company's ownership was lower than 50% of the subsidiary's outstanding shares, the subsidiary was consolidated. This is because the other 51.82% ownership was dispersed and no evidence of joint policy-making agreement between those stockholders. Also, the low participation rate of other shareholders in past shareholders' meetings shows that the Company owns the actual power to control.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Co., Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	100.00 %	
"	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	100.00 %	
"	Chailease Auto Rental Co., Ltd.	Leasing	100.00 %	100.00 %	100.00 %	

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2015.3.31	2014.12.31	2014.3.31	
Chalease Finance Co., Ltd.	Chalease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	100.00 %	
"	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	100.00 %	100.00 %	100.00 %	
"	Chalease Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	100.00 %	
"	Chalease Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	100.00 %	100.00 %	
"	Chalease Finance Securitization Trust 2014	Special Purpose Entity	- %	- %	- %	% The subsidiary was established on July 24, 2014.
"	Yun Tang Inc.	Solar Power business	100.00 %	100.00 %	- %	% The subsidiary was owned by acquiring 100% of the capital contribution on September 30, 2014.
Fina Finance & Trading Co., Ltd.	Chalease Consumer Finance Co., Ltd.	Factoring and installment sales	100.00 %	100.00 %	100.00 %	
The Company and Chalease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Leasing, real estate, and mortgage	100.00 %	100.00 %	100.00 %	
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	100.00 %	
"	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	100.00 %	
"	Grand Pacific Warehouse Funding Corp.	Real estate development	100.00 %	100.00 %	100.00 %	
"	Grand Pacific Business Loan LLC. 2005-1	Special Purpose Entity	- %	- %	- %	% The subsidiary was established on June 27, 2005.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2015.3.31	2014.12.31	2014.3.31	
Grand Pacific Warehouse Funding Corp.	Grand Pacific Warehouse Funding LLC.	Special Purpose Entity	100.00 %	100.00 %	100.00 %	
Grand Pacific Business Loan LLC. 2005-1	Grand Pacific Business Loan Trust 2005-1	Special Purpose Entity	- %	- %	- %	The subsidiary was established on June 27, 2005.
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	99.99 %	

Note: 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 be indicated if:

- (i) the SPE conducts its business to meet the specific needs of the Group;
- (ii) the Group has decision making powers to obtain the majority of the benefits of the SPE's activities;
- (iii) the Group is able to obtain the majority of the benefits of the SPE's activities through an "auto-pilot" mechanism;
- (iv) by having a right to the majority of SPE's benefits, the Group is exposed to the SPE's risks; and
- (v) the Group has the majority of the residual interest of the SPE.

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

(c) Income taxes

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

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period by the effective annual tax rate as forecasted by management. This is recognized fully as income tax expense for the current period.

Deferred income taxes are determined based on difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect during the years in which the difference are expected to reverse.

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(d) Employee benefits

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

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

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

Except as described in the following paragraphs, the principles for the preparation of consolidated interim financial statements and the related significant estimates and underlying assumptions are consistent with Note (5) of the consolidated financial statements for the year ended December 31, 2014.

(a) Valuation Process

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

The Company's financial instrument valuation group conducts independent verification on fair value by using data sources that are independent, reliable, and representative of exercise prices. The 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 Company strives to use market observable inputs when measuring assets and liabilities. Different levels of fair value hierarchy 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.

(b) Policies for Transferring of Fair Value Hierarchy

For any transfer within fair value hierarchy, the Company would recognize the impact of the transfer on the reporting date. Please refer to Note 6(s) for assumptions used in measuring fair value.

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(6) Explanation to Significant Accounts

Except as described in the following paragraphs, there were no significant changes in amounts with those disclosed in the 2014 annual consolidated financial statements. Please refer to Note (6) of the 2014 annual consolidated financial statements.

(a) Cash and cash equivalents

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Cash and demand deposits	\$ 12,830,263	8,274,421	7,363,763
Time deposits	42,494	42,685	84,632
Cash equivalents – RP bills	<u>-</u>	<u>21,011</u>	<u>5,994</u>
Cash and cash equivalents	12,872,757	8,338,117	7,454,389
Bank overdraft	<u>(5,614)</u>	<u>(7,913)</u>	<u>(167,753)</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 12,867,143</u>	<u>8,330,204</u>	<u>7,286,636</u>

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

(b) Financial instruments

1.Details of financial assets were as follows :

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Financial assets at fair value through profit or loss			
Held for trading			
Securities of listed companies	\$ 246,828	177,256	424,955
Derivative instruments not used for hedging	<u>43,982</u>	<u>28,736</u>	<u>10,438</u>
Sub-total	<u>290,810</u>	<u>205,992</u>	<u>435,393</u>
Designated as at fair value through profit or loss			
2010 securitization	-	-	859,910
2011 securitization	<u>702,869</u>	<u>710,059</u>	<u>820,537</u>
Sub-total	<u>702,869</u>	<u>710,059</u>	<u>1,680,447</u>
	<u>993,679</u>	<u>916,051</u>	<u>2,115,840</u>

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	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Available-for-sale financial assets			
Securities of listed companies	84,857	40,427	94,324
Emerging stock	1,046,242	1,012,241	997,060
Private equity	<u>498,000</u>	<u>517,217</u>	<u>523,891</u>
Sub-total	<u>1,629,099</u>	<u>1,569,885</u>	<u>1,615,275</u>
Held-to-maturity financial assets			
Investment in debt securities	<u>7,677,738</u>	<u>9,131,820</u>	<u>7,684,944</u>
Derivative financial assets used for hedging	<u>35,062</u>	<u>37,759</u>	-
Total	<u>\$ 10,335,578</u>	<u>11,655,515</u>	<u>11,416,059</u>

2. 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 three months ended March 31,			
	2015		2014	
Equity price at reporting date	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increase 7%	\$ <u>114,093</u>	<u>17,278</u>	<u>113,124</u>	<u>29,747</u>
Decrease 7%	\$ <u>(114,093)</u>	<u>(17,278)</u>	<u>(113,124)</u>	<u>(29,747)</u>

The Group purchased debt securities issued by real estate trust. These debt securities have maturity dates between 2015 and 2018, and bear effective annual interest rate ranging from 3.43%~8.83%.

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

3. Details of financial liabilities were as follows:

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Financial liabilities at fair value through profit or loss			
Held for trading			
Derivative instruments not used for hedging	\$ -	(769)	(4,197)
Derivative financial liabilities used for hedging	<u>(1,040)</u>	<u>(2,820)</u>	<u>(5,033)</u>
Total	<u>\$ (1,040)</u>	<u>(3,589)</u>	<u>(9,230)</u>

CHAILEASE HOLDING COMPANY LIMITED AND ITS SUBSIDIARIES**Notes to the Condensed Interim Consolidated Financial Statements****March 31, 2015 and 2014****(Amounts Expressed in Thousands of New Taiwan Dollars, Unless Stated Otherwise)****4. Derivative instruments not used for hedging**

Derivative financial instruments are used to manage certain interest risk, arising from the Group's operating, financing and investing activities. As of March 31, 2015, December 31, 2014 and March 31, 2014, derivative financial instruments accounted for as held-for-trading financial assets (liabilities) were as follows:

Cross currency swap contracts

2015.3.31					
Nominal Amount		Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD 20,000		USD to CNY	3.700%	90 Days LIBOR + 1.8%	2013.04.29~
CNY 123,510					2016.04.29
USD 30,000		USD to CNY	3.800%	90 Days LIBOR + 1.8%	2013.10.21~
CNY 183,300					2016.04.29
USD 20,000		USD to CNY	3.600%	90 Days LIBOR + 1.8%	2013.12.18~
CNY 121,580					2016.04.29

2014.12.31					
Nominal Amount		Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD 20,000		USD to CNY	3.700%	90 Days LIBOR + 1.8%	2013.04.29~
CNY 123,510					2016.04.29
USD 30,000		USD to CNY	3.800%	90 Days LIBOR + 1.8%	2013.10.21~
CNY 183,300					2016.04.29
USD 20,000		USD to CNY	3.600%	90 Days LIBOR + 1.8%	2013.12.18~
CNY 121,580					2016.04.29

2014.3.31					
Nominal Amount		Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD 20,000		USD to CNY	3.700%	90 Days LIBOR + 1.8%	2013.04.29~
CNY 123,510					2016.04.29
USD 30,000		USD to CNY	3.800%	90 Days LIBOR + 1.8%	2013.10.21~
CNY 183,300					2016.04.29
USD 20,000		USD to CNY	3.600%	90 Days LIBOR + 1.8%	2013.12.18~
CNY 121,580					2016.04.29

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Interest rate swap contracts

2014.12.31				
Nominal Amount	Contract Period	Interest Rate Payable	Interest Rate Receivable	Swap Period
CNY 300,000	2012.03.20~2015.03.20	2.960%	Interest rate of one-year time deposit	3 years

2014.3.31				
Nominal Amount	Contract Period	Interest Rate Payable	Interest Rate Receivable	Swap Period
CNY 300,000	2012.03.20~2015.03.20	2.960%	Interest rate of one-year time deposit	3 years

5. Derivative instruments used for hedging

As of March 31, 2015, December 31, 2014 and March 31, 2014, the Group held derivative instruments qualified for hedge accounting as follows:

2015.3.31				
Nominal Amount	Contract Period	Interest Rate Payable	Interest Rate Receivable	Swap Period
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

2014.12.31				
Nominal Amount	Contract Period	Interest Rate Payable	Interest Rate Receivable	Swap Period
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

2014.3.31				
Nominal Amount	Contract Period	Interest Rate Payable	Interest Rate Receivable	Swap Period
TWD 400,000	2010.11.17~2015.11.17	3%	90 days CP+1.2%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.1%	5 years
TWD 50,000	2011.01.19~2016.01.19	3%	90 days CP+1.0%	5 years

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1) Cash flow hedge

The subsidiaries namely, Chailease Finance Co., Ltd. and Golden Bridge (B.V.I.) Corp., entered into interest swap contract and cross currency swap contract with a bank to hedge future cash flow out of unsecured corporate bonds and CNY loans receivable.

Hedged item	Hedge Instrument	Fair Value			Expected Cash flow Period	Hedge Period
		2015.3.31	2014.12.31	2014.3.31		
Unsecured corporate bonds	Interest Swap	\$ (1,040)	(2,820)	(5,033)	2010~2016	2010~2016
CNY loans receivable	Cross Currency Swap contract	35,062	37,759	-	2013~2016	2013~2016

Item	For the three months ended March 31,	
	2015	2014
The fair value adjustment to other comprehensive income	\$ (917)	61,408

2) Hedge of net investment in foreign operation

The fair value of an equity investment in a foreign investee, Golden Bridge (B.V.I.) Corp., may be influenced by the fluctuation of USD exchange rate. The Company designated its USD borrowings to hedge the exchange rate fluctuation risk from this investment. The details of net investment hedge in foreign operation and designated derivatives as of March 31, 2015, December 31, 2014 and March 31, 2014, were as follows:

Hedged Item	Designated Hedging Instrument			
	Fair Value			
	Hedge Instrument	2015.3.31	2014.12.31	2014.3.31
Equity investment measured in USD	Foreign currency borrowings	\$ <u>2,269,250</u>	<u>2,152,200</u>	<u>2,767,065</u>

There were no effects of ineffectiveness recognized in profit or loss that arises from hedges of net investments in foreign operation of Golden Bridge (B.V.I.) Corp., for the three months ended March 31, 2015 and 2014.

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(c) Financial assets securitization

1. 2011 Securitization

In 2011, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, and capital leases receivable, with an aggregate carrying amount of \$5,000,229. Such securitization was made by way of offering the securities in the form of beneficiary certificates, with the Land Bank of Taiwan as the Trustee. Accordingly, the Group received \$4,154,000 in cash from issuing these beneficiary certificates, resulting in a loss of \$9,533 from this asset securitization. These beneficiary certificates are redeemable for the period from November 24, 2011 to November 24, 2018. Specific terms and conditions of the beneficiary certificates are as follows:

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

Key assumptions at the securitization date:

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

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

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1) Key assumptions used in measuring retained interests:

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

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Repayment rate	15.50 %	13.85 %	9.15 %
Expected return rate on securitized financial assets	8.40 %	8.63 %	8.83 %
Weighted-average life (in years)	1.67	1.92	2.67
Expected credit loss rate (Note)	1.85%~6.30%	1.85%~6.30%	1.85%~6.30%
Discount rate for residual cash flows	4.00 %	4.00 %	4.00 %

2) Sensitivity analysis

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

	<u>2015.3.31</u>	<u>2014.3.31</u>
Carrying amount of retained interests	702,869	820,537
Weighted — average life (in years)	1.67	2.67
Repayment rate	15.50 %	9.15 %
Effect on fair value with 10% adverse change	(6,551)	(18,811)
Effect on fair value with 20% adverse change	(12,179)	(34,914)
Expected credit losses	4.58%	4.58%
Effect on fair value with 10% adverse change	(14,751)	(22,950)
Effect on fair value with 20% adverse change	(29,502)	(45,895)
Discount rate for residual cash flows	4.00 %	4.00 %
Effect on fair value with 10% adverse change	(3,035)	(5,850)
Effect on fair value with 20% adverse change	(6,053)	(11,646)

3) Expected static pool credit losses

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

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4) Cash flows

The cash flows received from securitization trusts were as follows:

	For the three months ended March 31,	
	2015	2014
Other cash flows received on retained interests	\$ 65,147	86,608
Service fees received	965	1,190

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

2. 2010 Securitization

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

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

Key assumptions at the securitization date:

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

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

1) Key assumptions used in measuring retained interests:

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

	<u>2014.3.31</u>
Repayment rate	18.70 %
Expected return rate on securitized financial assets	8.45 %
Weighted-average life (in years)	1.42
Expected credit loss rate (Note)	1.85%~6.45%
Discount rate for residual cash flows	4.00 %

2) Sensitivity analysis

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

	<u>2014.3.31</u>
Carrying amount of retained interests	859,910
Weighted—average life (in years)	1.42
Repayment rate	18.70 %
Effect on fair value with 10% adverse change	(3,244)
Effect on fair value with 20% adverse change	(6,037)
Expected credit losses	6.45%
Effect on fair value with 10% adverse change	(13,580)
Effect on fair value with 20% adverse change	(27,374)
Discount rate for residual cash flows	4.00 %
Effect on fair value with 10% adverse change	(2,402)
Effect on fair value with 20% adverse change	(4,794)

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3) Expected static pool credit losses

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

4) Cash flows

The cash flows received from securitization trusts were as follows:

	<u>For the three months ended March 31, 2014</u>
Other cash flows received on retained interests	\$ 45,693
Service fees received	684

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

- 5) On August 26, 2014, the special purpose trust has fully redeemed beneficiary certificates twAAA and twA. On September 22, 2014, the process of its liquidation was completed, so that the Group received \$895,104 from the return of subordinated certificates.

On September 17, 2014, the Group entered into an agreement with the said Special Purpose Entity to repurchase its receivable of \$613,677.

(d) Accounts receivable, net

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Current			
Accounts receivable	\$ 11,300,841	10,089,740	7,963,449
Less: Allowance for impairment	<u>(601,003)</u>	<u>(624,129)</u>	<u>(563,056)</u>
	<u>10,699,838</u>	<u>9,465,611</u>	<u>7,400,393</u>
Installment sales receivable	66,752,802	64,169,367	57,074,399
Less: Unearned interests	<u>(6,123,098)</u>	<u>(5,907,409)</u>	<u>(5,463,408)</u>
Allowance for impairment	<u>(1,846,489)</u>	<u>(1,846,027)</u>	<u>(1,699,597)</u>
	<u>58,783,215</u>	<u>56,415,931</u>	<u>49,911,394</u>
Leases receivable (included operating leases)	76,987,845	78,653,219	63,030,524
Less: Unearned revenue	<u>(9,253,181)</u>	<u>(9,809,078)</u>	<u>(7,222,803)</u>
Allowance for impairment	<u>(2,721,651)</u>	<u>(2,637,123)</u>	<u>(2,039,973)</u>
	<u>65,013,013</u>	<u>66,207,018</u>	<u>53,767,748</u>
Loans receivable	33,127,771	33,734,391	28,949,450
Less: Allowance for impairment	<u>(887,799)</u>	<u>(889,109)</u>	<u>(812,901)</u>
	<u>32,239,972</u>	<u>32,845,282</u>	<u>28,136,549</u>
Sub-total of current accounts	<u>166,736,038</u>	<u>164,933,842</u>	<u>139,216,084</u>

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	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Non-Current			
Accounts receivable	\$ 2,796,550	2,652,563	2,123,586
Less: Allowance for impairment	<u>(53,576)</u>	<u>(53,292)</u>	<u>(47,952)</u>
	<u>2,742,974</u>	<u>2,599,271</u>	<u>2,075,634</u>
Installment sales receivable	26,379,742	26,136,991	25,128,581
Less: Unearned interests	<u>(2,307,825)</u>	<u>(2,296,764)</u>	<u>(2,354,490)</u>
Allowance for impairment	<u>(308,962)</u>	<u>(304,723)</u>	<u>(270,942)</u>
	<u>23,762,955</u>	<u>23,535,504</u>	<u>22,503,149</u>
Leases receivable	6,331,275	6,232,235	3,019,638
Less: Unearned revenue	<u>(1,704,414)</u>	<u>(1,685,203)</u>	<u>(232,234)</u>
Allowance for impairment	<u>(51,683)</u>	<u>(59,099)</u>	<u>(48,825)</u>
	<u>4,575,178</u>	<u>4,487,933</u>	<u>2,738,579</u>
Loans receivable	2,936,296	2,988,244	2,625,444
Less: Allowance for impairment	<u>(70,963)</u>	<u>(71,849)</u>	<u>(93,694)</u>
	<u>2,865,333</u>	<u>2,916,395</u>	<u>2,531,750</u>
Sub-total of non-current accounts	<u>33,946,440</u>	<u>33,539,103</u>	<u>29,849,112</u>
Total accounts receivable	<u>\$ 200,682,478</u>	<u>198,472,945</u>	<u>169,065,196</u>

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

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Opening balance	\$ 6,485,351	5,398,770
Impairment loss recognized	993,959	765,687
Amounts written off	(902,054)	(607,112)
Foreign exchange gains (loss)	<u>(35,130)</u>	<u>19,595</u>
Ending balance	<u>\$ 6,542,126</u>	<u>5,576,940</u>

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).

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

	Gross investment in the leases	Unearned revenue	Present value of minimum leases receivable
March 31, 2015			
Within operating cycle	\$ 76,848,958	(9,253,181)	67,595,777
Beyond one operating cycle to 5 years	4,095,879	(703,165)	3,392,714
Over 5 years	2,235,396	(1,001,249)	1,234,147
	<u>\$ 83,180,233</u>	<u>(10,957,595)</u>	<u>72,222,638</u>
December 31, 2014			
Within operating cycle	\$ 78,562,748	(9,809,078)	68,753,670
Beyond one operating cycle to 5 years	3,959,475	(649,594)	3,309,881
Over 5 years	2,272,760	(1,035,609)	1,237,151
	<u>\$ 84,794,983</u>	<u>(11,494,281)</u>	<u>73,300,702</u>
March 31, 2014			
Within operating cycle	\$ 62,919,853	(7,222,803)	55,697,050
Beyond one operating cycle to 5 years	3,019,638	(232,234)	2,787,404
	<u>\$ 65,939,491</u>	<u>(7,455,037)</u>	<u>58,484,454</u>

The Group entered into several electricity procurement agreements with Taiwan Power Company(Refer to Note(9) for details of these agreements). Under these agreements, the production of electric power 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 (20) years.

The electricity procurement agreements mentioned above were accounted for as finance leases under IFRIC 4 "Determining whether an Agreement contains a lease" and IAS 17 "Lease".

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

	2015.3.31	2014.12.31	2014.3.31
Within operating cycle	\$ 1,863,885	1,873,886	1,289,256
Beyond one operating cycle to 5 years	2,618,298	2,413,712	1,227,190
Over 5 years	13,147	197,198	-
	<u>\$ 4,495,330</u>	<u>4,484,796</u>	<u>2,516,446</u>

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

	Gross investment in the installment sales	Unearned interests	Present value of installment sales receivable
March 31, 2015			
Within operating cycle	\$ 66,752,802	(6,123,098)	60,629,704
Beyond one operating cycle to 5 years	26,349,636	(2,307,023)	24,042,613
Over 5 years	30,106	(802)	29,304
	<u>\$ 93,132,544</u>	<u>(8,430,923)</u>	<u>84,701,621</u>
December 31, 2014			
Within operating cycle	\$ 64,169,367	(5,907,409)	58,261,958
Beyond one operating cycle to 5 years	26,104,458	(2,295,861)	23,808,597
Over 5 years	32,533	(903)	31,630
	<u>\$ 90,306,358</u>	<u>(8,204,173)</u>	<u>82,102,185</u>
March 31, 2014			
Within operating cycle	\$ 57,074,399	(5,463,408)	51,610,991
Beyond one operating cycle to 5 years	25,052,917	(2,352,475)	22,700,442
Over 5 years	75,664	(2,015)	73,649
	<u>\$ 82,202,980</u>	<u>(7,817,898)</u>	<u>74,385,082</u>

(e) Other current assets - others

	2015.3.31	2014.12.31	2014.3.31
Prepayments	\$ 1,544,781	1,383,417	783,590
Prepaid expenses	1,447,898	1,493,040	1,357,962
Foreclosed assets	48,320	65,806	83,881
Others	9,056	317,070	185,359
	<u>\$ 3,050,055</u>	<u>3,259,333</u>	<u>2,410,792</u>

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As of March 31, 2015, December 31, 2014 and March 31, 2014, foreclosed assets held by the Group were as follows:

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Foreclosed assets	\$ 71,220	107,426	101,780
Less: Accumulated impairment	(22,900)	(41,620)	(17,899)
	<u>\$ 48,320</u>	<u>65,806</u>	<u>83,881</u>

For the three months ended March 31, 2015 and 2014, the Group recognized a gain on reversal of impairment loss of \$18,774 and \$511, respectively, for foreclosed assets.

(f) Investments accounted under equity method

The financial information of individually non-significant equity method affiliates included in the consolidated financial statements were as follows:

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Affiliates	\$ <u>212,760</u>	<u>183,215</u>	<u>28,556</u>
	<u>For the three months ended March 31,</u>		
	<u>2015</u>	<u>2014</u>	
Comprehensive income attributable to owners of parent	\$ <u>(8,272)</u>	<u>(1,543)</u>	

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

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group as of and for the three months ended March 31, 2015 and 2014, 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:					
Balance at January 1, 2015	\$ 3,060,206	8,055,558	1,098,529	125,923	12,340,216
Additions	16,982	674,165	55,120	-	746,267
Reclassification	-	281	-	-	281
Disposals	-	(312,084)	(164,087)	-	(476,171)
Effect of movements in exchange rate	(15,575)	(18,764)	(5,834)	(170)	(40,343)
Balance at March 31, 2015	<u>\$ 3,061,613</u>	<u>8,399,156</u>	<u>983,728</u>	<u>125,753</u>	<u>12,570,250</u>

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	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Balance at January 1, 2014	\$ 2,965,915	5,482,214	2,992,112	121,105	11,561,346
Additions	-	559,933	78,724	945	639,602
Reclassification	-	553	-	-	553
Disposals	-	(337,125)	(753,379)	-	(1,090,504)
Effect of movements in exchange rate	(5,846)	(410)	(5,248)	148	(11,356)
Balance at March 31, 2014	<u>\$ 2,960,069</u>	<u>5,705,165</u>	<u>2,312,209</u>	<u>122,198</u>	<u>11,099,641</u>
Depreciation and impairment losses:					
Balance at January 1, 2015	\$ 438,336	1,966,842	842,851	94,331	3,342,360
Depreciation for the period	13,516	335,847	29,881	2,793	382,037
Impairment loss	-	70,819	-	-	70,819
Disposals	-	(191,152)	(153,793)	-	(344,945)
Effect of movements in exchange rate	(603)	(2,359)	(4,662)	(109)	(7,733)
Balance at March 31, 2015	<u>\$ 451,249</u>	<u>2,179,997</u>	<u>714,277</u>	<u>97,015</u>	<u>3,442,538</u>
Balance at January 1, 2014	\$ 384,074	1,586,301	2,322,279	82,325	4,374,979
Depreciation for the period	12,920	242,641	75,590	2,865	334,016
Impairment loss (reversal)	-	47,181	1,977	-	49,158
Disposals	-	(214,512)	(609,933)	-	(824,445)
Effect of movements in exchange rate	(54)	(59)	(4,844)	93	(4,864)
Balance at March 31, 2014	<u>\$ 396,940</u>	<u>1,661,552</u>	<u>1,785,069</u>	<u>85,283</u>	<u>3,928,844</u>
Carrying amounts:					
Balance at January 1, 2015	<u>\$ 2,621,870</u>	<u>6,088,716</u>	<u>255,678</u>	<u>31,592</u>	<u>8,997,856</u>
Balance at March 31, 2015	<u>\$ 2,610,364</u>	<u>6,219,159</u>	<u>269,451</u>	<u>28,738</u>	<u>9,127,712</u>
Balance at January 1, 2014	<u>\$ 2,581,841</u>	<u>3,895,913</u>	<u>669,833</u>	<u>38,780</u>	<u>7,186,367</u>
Balance at March 31, 2014	<u>\$ 2,563,129</u>	<u>4,043,613</u>	<u>527,140</u>	<u>36,915</u>	<u>7,170,797</u>

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

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) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2015	\$ <u>12,680</u>	<u>22,911</u>	<u>35,591</u>
Balance at March 31, 2015	\$ <u>12,680</u>	<u>26,194</u>	<u>38,874</u>
Balance at January 1, 2014	\$ <u>3,728</u>	<u>18,884</u>	<u>22,612</u>
Balance at March 31, 2014	\$ <u>3,728</u>	<u>18,593</u>	<u>22,321</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2015 and 2014. Information on amortization for the period is discussed in Note (12)(b). Please refer to Note (6)(j) of the 2014 annual consolidated financial statements for other related information.

(i) Long-term and short-term borrowings

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

2015.3.31				
	<u>Currency</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Amount</u>
Secured bank loans	TWD	1.30%~1.65%	2015~2019	\$ 727,587
"	USD	1.80%~2.61%	2015~2017	1,386,791
"	THB	2.50%~4.75%	2015~2018	9,172,085
"	CNY	4.75%~6.77%	2015~2018	15,585,143
"	VND	4.00%~6.70%	2015~2016	1,176,633
Unsecured bank loans	TWD	0.94%~1.98%	2015~2018	76,869,807
"	USD	1.00%~2.08%	2015~2017	17,933,178
"	EUR	1.37%	2015	80,760
"	THB	2.45%~7.50%	2015~2016	7,183,648
"	JPY	1.20%	2015	321,614
"	CNY	4.75%~6.77%	2015~2018	22,294,234
Other unsecured loans	THB	2.55%~2.90%	2015	2,379,367
"	TWD	7.83%	2015	4,909
Notes payable from securitization	TWD	1.85%~2.65%	2019	5,465,000
"	USD	0.82%~0.86%	2030	208,294
Total				<u>\$ 160,789,050</u>

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2015.3.31				
	Currency	Interest Rate	Year of Maturity	Amount
Current				\$ 122,281,956
Non-current				38,507,094
Total				<u>\$ 160,789,050</u>
2014.12.31				
	Currency	Interest Rate	Year of Maturity	Amount
Secured bank loans	TWD	1.30%~1.65%	2015~2019	\$ 837,802
"	USD	2.00%~4.00%	2015~2017	1,486,428
"	THB	2.80%~4.75%	2015~2017	8,886,730
"	CNY	3.93%~7.69%	2015~2017	14,476,088
"	VND	3.60%~7.50%	2015~2016	1,320,356
Unsecured bank loans	TWD	0.92%~1.97%	2015~2017	73,316,182
"	USD	1.41%~2.92%	2015~2016	18,587,366
"	EUR	1.37%	2015	100,022
"	THB	2.67%~7.38%	2015~2016	7,588,035
"	JPY	1.20%~1.25%	2015~2016	226,890
"	CNY	3.93%~7.69%	2015~2017	19,697,786
Other unsecured loans	THB	2.90%~3.00%	2015	2,570,343
"	TWD	7.83%	2015	7,541
Notes payable from securitization	TWD	1.85%~2.65%	2019	5,465,000
"	USD	0.71%~0.81%	2030	247,556
Total				<u>\$ 154,814,125</u>
Current				\$ 120,561,647
Non-current				34,252,478
Total				<u>\$ 154,814,125</u>

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2014.3.31				
	Currency	Interest Rate	Year of Maturity	Amount
Secured bank loans	TWD	1.32%~1.65%	2014	\$ 1,081,141
"	USD	2.25%~4.50%	2014~2015	1,666,985
"	THB	2.67%~4.75%	2014~2017	8,176,772
"	CNY	3.93%~7.69%	2014~2017	8,575,862
"	VND	4.50%~5.92%	2014~2016	875,831
Unsecured bank loans	TWD	1.06%~2.00%	2014~2017	64,343,775
"	USD	1.15%~2.52%	2014~2017	17,078,140
"	EUR	1.39%	2014	15,514
"	THB	2.67%~7.38%	2014~2016	8,694,309
"	JPY	1.20%~1.27%	2014~2015	155,875
"	CNY	3.93%~7.69%	2014~2019	18,459,629
Other unsecured loans	THB	2.50%~3.15%	2014	3,687,692
Notes payable from securitization	USD	0.71%~0.72%	2030	341,092
Total				<u>\$ 133,152,617</u>
Current				\$ 112,371,250
Non-current				<u>20,781,367</u>
Total				<u>\$ 133,152,617</u>

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

1. Securities for bank loans

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

2. Financial covenants of significant loans and borrowings

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

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

As of March 31, 2015, December 31, 2014 and March 31, 2014, the Group were in compliance with the financial covenants mentioned above.

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(j) Bonds payable

Period	Interest Rate	Principal Amount	Repayment Terms	2015.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2010.11.17~ 2015.11.17	2.058%~ 2.088%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	\$ 400,000	-	None
2011.01.19~ 2016.01.19	1.858%~ 1.897%	50,000	"	50,000	-	"
2011.01.19~ 2016.01.19	1.958%~ 1.997%	50,000	"	50,000	-	"
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,000,000	1,000,000	"
2013.07.22~ 2018.07.22	1.600%	1,400,000	"	-	1,400,000	"
2014.06.16~ 2019.06.16	1.500%	450,000	"	-	450,000	"
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	900,000	"
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2013.02.22~ 2015.08.21	4.550%	THB 350,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	338,275	-	"
2014.05.09~ 2016.05.16	3.820%	THB 240,000	"	-	231,960	"
2013.06.27~ 2016.06.27	4.500%	THB 1,300,000	"	-	1,256,450	"
2014.04.30~ 2017.04.28	4.150%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	96,650	"
2014.05.15~ 2017.06.08	4.100%	THB 210,000	"	-	202,965	"
2014.05.27~ 2017.05.09	4.050%	THB 150,000	"	-	144,975	"
2014.06.27~ 2017.07.10	4.050%	THB 220,000	"	-	212,630	"

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Period	Interest Rate	Principal Amount	Repayment Terms	2015.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.07.17~ 2016.07.11	3.790%	THB 215,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	207,797	None
2014.07.18~ 2017.07.25	4.050%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	483,250	"
2014.07.25~ 2017.08.08	4.050%	THB 320,000	"	-	309,280	"
2014.09.26~ 2017.10.10	3.950%	THB 200,000	"	-	193,300	"
2014.09.26~ 2017.09.25	3.950%	THB 250,000	"	-	241,625	"
2014.09.29~ 2017.09.25	3.950%	THB 100,000	"	-	96,650	"
2014.11.07~ 2016.11.07	3.700%	THB 160,000	"	-	154,640	"
2014.11.10~ 2017.11.10	3.950%	THB 200,000	"	-	193,300	"
2014.11.24~ 2017.12.07	3.850%	THB 130,000	"	-	125,645	"
2014.11.25~ 2016.11.25	3.700%	THB 120,000	"	-	115,980	"
2014.12.03~ 2016.12.07	3.700%	THB 190,000	"	-	183,635	"
2015.01.28~ 2017.01.28	3.600%	THB 300,000	"	-	289,950	"
2015.03.18~ 2018.03.18	3.700%	THB 100,000	"	-	96,650	"
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	"	3,782,996	-	"
Bonds payable (Gross)				5,621,271	9,687,332	
Discounts on bonds payable				(79)	(3,607)	
				<u>\$ 5,621,192</u>	<u>9,683,725</u>	

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Period	Interest Rate	Principal Amount	Repayment Terms	2014.12.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2010.11.17~ 2015.11.17	2.058%~ 2.088%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	\$ 400,000	-	None
2011.01.19~ 2016.01.19	1.858%~ 1.897%	50,000	"	50,000	-	"
2011.01.19~ 2016.01.19	1.958%~ 1.997%	50,000	"	50,000	-	"
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,000,000	1,000,000	"
2013.07.22~ 2018.07.22	1.600%	1,400,000	"	-	1,400,000	"
2014.06.16~ 2019.06.16	1.500%	450,000	"	-	450,000	"
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	900,000	"
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2013.02.22~ 2015.08.21	4.550%	THB 350,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	338,450	-	"
2014.05.09~ 2016.05.16	3.820%	THB 240,000	"	-	232,080	"
2013.06.27~ 2016.06.27	4.500%	THB 1,300,000	"	-	1,257,100	"
2014.04.30~ 2017.04.28	4.150%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	96,700	"
2014.05.15~ 2017.06.08	4.100%	THB 210,000	"	-	203,070	"
2014.05.27~ 2017.05.09	4.050%	THB 150,000	"	-	145,050	"
2014.06.27~ 2017.07.10	4.050%	THB 220,000	"	-	212,740	"

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Period	Interest Rate	Principal Amount	Repayment Terms	2014.12.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.07.17~ 2016.07.11	3.790%	THB 215,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	207,905	None
2014.07.18~ 2017.07.25	4.050%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	-	483,500	"
2014.07.25~ 2017.08.08	4.050%	THB 320,000	"	-	309,440	"
2014.09.26~ 2017.10.10	3.950%	THB 200,000	"	-	193,400	"
2014.09.26~ 2017.09.25	3.950%	THB 250,000	"	-	241,750	"
2014.09.29~ 2017.09.25	3.950%	THB 100,000	"	-	96,700	"
2014.11.07~ 2016.11.07	3.700%	THB 160,000	"	-	154,720	"
2014.11.10~ 2017.11.10	3.950%	THB 200,000	"	-	193,400	"
2014.11.24~ 2017.12.07	3.850%	THB 130,000	"	-	125,710	"
2014.11.25~ 2016.11.25	3.700%	THB 120,000	"	-	116,040	"
2014.12.03~ 2016.12.07	3.700%	THB 190,000	"	-	183,730	"
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	"	3,818,889	-	"
Bonds payable (Gross)				5,657,339	9,303,035	
Discounts on bonds payable				(129)	(3,778)	
				<u>\$ 5,657,210</u>	<u>9,299,257</u>	

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Period	Interest Rate	Principal Amount	Repayment Terms	2014.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2010.11.17~ 2015.11.17	2.058%~ 2.083%	400,000	Payable in lump sum. Interest rate is floating. Interest is payable annually.	\$ 400,000	-	None
2011.01.19~ 2016.01.19	1.858%~ 1.897%	50,000	"	50,000	-	"
2011.01.19~ 2016.01.19	1.958%~ 1.997%	50,000	"	50,000	-	"
2011.08.30~ 2014.08.30	1.750%	4,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	4,000,000	-	"
2012.06.05~ 2017.06.05	1.500%	2,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	-	2,000,000	"
2013.07.22~ 2018.07.22	1.600%	1,400,000	"	-	1,400,000	"
2012.11.09~ 2014.11.10	4.550%	THB 1,000,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	944,200	-	"
2013.02.22~ 2015.08.21	4.550%	THB 350,000	"	-	330,470	"
2013.06.27~ 2016.06.27	4.500%	THB 1,300,000	"	-	1,227,460	"
2012.04.05~ 2015.04.05	5.000%	CNY 750,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi - annually.	3,674,911	-	"
Bonds payable (Gross)				9,119,111	4,957,930	
Discounts on bonds payable				(807)	(2,109)	
				<u>\$ 9,118,304</u>	<u>4,955,821</u>	

Financial covenants of significant loans and borrowings:

A subsidiary, Chailease Finance (B.V.I.) Co., Ltd., issued three-year CNY bonds in Hong Kong, under which, Chailease Finance Co., Ltd. shall maintain certain consolidated financial ratios on balance sheet date. (i.e. equity ratio, tangible net worth, interest coverage ratio, etc.) Otherwise, the loans are due and payable immediately.

As of December 31, 2014 Chailease Finance Co., Ltd., a subsidiary, was in compliance with the financial covenants mentioned above.

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(k) Operating Leases

1. Leases entered into as lessee

Non-cancellable operating lease payables were as follows:

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Within 1 year	\$ 246,794	241,054	153,357
Beyond 1 year but up to 5 years	594,148	673,384	199,579
Over 5 years	133,245	130,977	-
	<u>\$ 974,187</u>	<u>1,045,415</u>	<u>352,936</u>

(l) Employee benefits

1. Defined benefit plans

Management believes that in prior fiscal year, there was no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, the pension cost in the accompanying interim financial statements was measured and disclosed according to the actuarial report as of December 31, 2014 and 2013.

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

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Operating costs	\$ 461	431
Operating expenses	18,644	18,537
Total	<u>\$ 19,105</u>	<u>18,968</u>

2. Defined contribution plans

The pension costs incurred from the contributions were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Operating expenses	<u>\$ 23,677</u>	<u>15,841</u>

(m) Income taxes

1. Income Tax Expense

The components of income tax were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Total income tax expense from continuing operations	<u>\$ 592,734</u>	<u>570,981</u>

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The amount of income tax recognized in other comprehensive income for years was as follows:

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Items subsequently reclassified to profit or loss		
Foreign currency translation differences for		
foreign operations	\$ <u>14,426</u>	<u>(9,973)</u>

2. The income tax returns of the subsidiaries, Chailease Finance Co., Ltd., Fina Finance & Trading Co., Ltd., Apex Credit Solutions Inc., China Leasing Co., Ltd., Chailease Auto Rental Co., Ltd., Chailease Insurance Brokers Co., Ltd., and Chailease Credit Services Co., Ltd., have been assessed by the Tax Authority through 2012.

(n) Share capital and other equity accounts

Except for the following, there were no significant changes in capital and reserves for the three months ended March 31, 2015 and 2014. Please refer to Note (6)(p) of the consolidated financial statements for the year ended December 31, 2014 for other related information.

1. Share capital

Due to the capital required 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 global depositary shares overseas, and the offering was approved by the Financial Supervisory Commission (FSC) on August 3, 2012. As of October 9, 2012, these global depositary shares were priced at US\$8.59 per unit, and the Company issued 120,000,000 common shares of stock from the conversion of 24,000,000 units of global depositary shares. Each unit of global depositary shares represents 5 common shares of stock. As of March 31, 2015, December 31, 2014 and March 31, 2014, the Company has listed, 2,744,313, 2,612,562, and 2,707,458 units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. Major terms and conditions for GDRs were as follows:

1) 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.

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

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

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2. Retained earnings

According to its Articles of Association, which was revised through a resolution approved by the stockholders' meeting on May 30, 2014, 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 is 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. The remaining earnings for each accounting period and the accumulated unappropriated retained earnings are distributed according to the stockholders' approval in compliance with the following order of distribution:

- a) between 0.01% and 1% of such remaining amount as employees' bonus for each accounting period;
- b) between 0.01% and 0.1% of such remaining amount as directors' bonus for each accounting period; and
- c) dividends of at least 20% of such remaining amount of which cash dividends shall not be less than 30% of the total amount of dividends.

Earnings distribution

For the three months ended March 31, 2015 and 2014, the Company accrued employee benefits of \$259 and \$234, and the board of directors' remuneration of \$1,382 and \$1,250, respectively. These amounts were estimated from the Group's net profit attributed to owners of parent for the three months ended March 31, 2015 and 2014, according to the earnings allocation method, priority and factor for employee benefits and the board of directors' remuneration as stated under the Articles of Association. These benefits were charged to profit or loss under operating expense for the three months ended March 31, 2015 and 2014.

In its consolidated financial statements for the years 2014 and 2013, the Company accrued employee benefits of \$1,024 and \$882, and the board of directors' remuneration of \$5,460 and \$4,706, respectively. There were no differences between the actual distributions of the 2013 earnings in 2014 and those estimated and accrued in the 2013 financial statements. Amounts to be distributed for employee benefits and the board of directors' remuneration for 2014 are yet to be decided by the meeting of shareholders. Related information would be available at the Market Observation Post System after the convening of the meeting of shareholders.

According to management, the difference, if any, between the amounts accrued in the 2014 financial statements and the actual appropriations of the 2014 earnings, shall be accounted for under profit or loss in 2015 when the actual distribution of such earnings are determined by the meeting of shareholders.

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On March 26, 2015, the Company's board of directors resolved to appropriate the 2014 earnings. On May 30, 2014, the shareholder's meetings resolved to distribute the 2013 earnings. These earnings were appropriated as follows:

	2014		2013	
	Dividend per share (\$)	Amount	Dividend per share (\$)	Amount
Dividends distributed to common shareholders				
Cash	\$ 2.80	3,067,158	2.00	1,991,661
Stock	0.40	438,165	1.00	995,830
Total		<u>\$ 3,505,323</u>		<u>2,987,491</u>

The information before 2013 earning distribution of the Company's earnings had been announced through the Market Observation Post System on the internet.

(o) Earnings per share

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

	For the three months ended March 31,	
	2015	2014
Profit attributable to common stockholders of the Company	<u>\$ 1,709,446</u>	<u>1,561,821</u>
Weighted average number of ordinary shares	<u>1,095,413</u>	<u>1,095,413</u>
Weighted average number of ordinary shares (Diluted)	<u>1,095,417</u>	<u>1,095,429</u>

Note: Potential ordinary shares have no dilutive effects.

(p) Net other income and expenses

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

	For the three months ended March 31,	
	2015	2014
Gain on reversal of impairment loss of foreclosed assets	\$ 18,774	511
Gain on doubtful debt recoveries	46,406	34,956
Others	11	-
	<u>\$ 65,191</u>	<u>35,467</u>

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(q) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2015	2014
Foreign exchange gains (losses)	\$ 2,942	(968)
Net gains on disposal of properly plant, and equipment	274	482
Net gains on disposal of available-for-sale financial assets	-	10,246
Net gains (losses) on valuation of financial assets (liabilities) measured at fair value through profit or loss	17,578	(26,143)
Others	12,326	9,674
	\$ 33,120	(6,709)

(r) Adjustments to other comprehensive income

	For the three months ended March 31,	
	2015	2014
Available-for-sale financial assets	\$	
Net change in fair value	11,691	(102,335)
Net change in fair value reclassified to profit or loss	-	(4,271)
Net change in fair value recognized in other comprehensive income	\$ 11,691	(106,606)

(s) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group. As of March 31, 2015, December 31, 2014 and March 31, 2014, the maximum exposure to credit risks amounted to \$244,277,787, \$237,672,494 and \$206,142,921, respectively.

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The non-performing loans (net of allowance for doubtful accounts) amounted to \$195,812, \$210,194 and \$250,286 as of March 31, 2015, December 31, 2014 and March 31, 2014, respectively.

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

	<u>Taiwan</u>	<u>Thailand</u>	<u>China</u>	<u>Others</u>	<u>Total</u>
<u>March 31, 2015</u>					
Gross loans and receivables:					
Neither past due nor impaired	\$ 102,412,382	25,209,489	64,638,364	4,248,328	196,508,563
Past due	102,384	-	-	169,711	272,095
Impaired	<u>2,583,515</u>	<u>3,521,975</u>	<u>3,667,246</u>	<u>402,655</u>	<u>10,175,391</u>
	<u>\$105,098,281</u>	<u>28,731,464</u>	<u>68,305,610</u>	<u>4,820,694</u>	<u>206,956,049</u>
Allowance for impairment					
Collectively assessed	\$ 1,209,636	350,209	1,407,265	363,857	3,330,967
Individually assessed	<u>1,309,958</u>	<u>291,262</u>	<u>1,331,802</u>	<u>205,394</u>	<u>3,138,416</u>
	<u>\$ 2,519,594</u>	<u>641,471</u>	<u>2,739,067</u>	<u>569,251</u>	<u>6,469,383</u>
<u>December 31, 2014</u>					
Gross loans and receivables:					
Neither past due nor impaired	\$ 98,780,352	25,084,959	66,283,452	4,384,331	194,533,094
Past due	117,518	-	-	178,836	296,354
Impaired	<u>2,506,388</u>	<u>3,392,786</u>	<u>3,545,628</u>	<u>413,946</u>	<u>9,858,748</u>
	<u>\$101,404,258</u>	<u>28,477,745</u>	<u>69,829,080</u>	<u>4,977,113</u>	<u>204,688,196</u>
Allowance for impairment					
Collectively assessed	\$ 1,151,027	317,347	1,299,025	353,968	3,121,367
Individually assessed	<u>1,347,087</u>	<u>279,503</u>	<u>1,461,598</u>	<u>215,890</u>	<u>3,304,078</u>
	<u>\$ 2,498,114</u>	<u>596,850</u>	<u>2,760,623</u>	<u>569,858</u>	<u>6,425,445</u>

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	<u>Taiwan</u>	<u>Thailand</u>	<u>China</u>	<u>Others</u>	<u>Total</u>
March 31, 2014					
Gross loans and receivables:					
Neither past due nor impaired	\$ 85,420,166	24,880,148	51,834,771	3,728,975	165,864,060
Past due	115,154	-	-	331,489	446,643
Impaired	<u>2,303,566</u>	<u>2,390,924</u>	<u>2,847,000</u>	<u>473,092</u>	<u>8,014,582</u>
	<u>\$ 87,838,886</u>	<u>27,271,072</u>	<u>54,681,771</u>	<u>4,533,556</u>	<u>174,325,285</u>
Allowance for impairment					
Collectively assessed	\$ 1,250,465	261,632	1,087,038	371,018	2,970,153
Individually assessed	<u>1,048,672</u>	<u>277,238</u>	<u>992,362</u>	<u>221,950</u>	<u>2,540,222</u>
	<u>\$ 2,299,137</u>	<u>538,870</u>	<u>2,079,400</u>	<u>592,968</u>	<u>5,510,375</u>

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

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

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

3) Loans and receivables which were past due

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

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

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Past due up to 30 days	\$ 138,873	210,027	173,644
31 to 90 days	109,607	86,327	272,999
91 to 180 days	<u>23,615</u>	<u>-</u>	<u>-</u>
	<u>\$ 272,095</u>	<u>296,354</u>	<u>446,643</u>

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4) Impaired loans and receivables

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

2. Liquidity risks

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

	Carrying amount	Contractual cash flows	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	On demand
March 31, 2015								
Non-derivative financial liabilities								
Bank overdraft	\$ 5,614	5,614	-	-	-	-	-	5,614
Secured bank loans	28,048,239	23,769,688	1,553,390	2,743,425	5,457,739	14,015,134	-	-
Unsecured bank loans	124,677,627	125,937,125	32,311,104	21,981,669	29,596,690	42,047,662	-	-
Other unsecured loans	2,384,276	2,396,721	659,713	1,160,514	576,494	-	-	-
Notes payable from securitization	5,673,294	6,117,809	8,832	17,663	79,485	5,784,728	227,101	-
Bonds payables	15,304,917	16,290,029	3,791,067	84,326	1,068,895	9,182,341	2,163,400	-
Other payables	4,856,367	4,662,709	3,111,251	256,001	559,981	213,130	-	522,346
Deposits relating to collateral of customers	22,565,998	20,197,001	173,959	362,573	4,273,145	14,630,283	-	757,041
	<u>\$ 203,516,332</u>	<u>199,376,696</u>	<u>41,609,316</u>	<u>26,606,171</u>	<u>41,612,429</u>	<u>85,873,278</u>	<u>2,390,501</u>	<u>1,285,001</u>
December 31, 2014								
Non-derivative financial liabilities								
Bank overdraft	\$ 7,913	7,913	-	-	-	-	-	7,913
Secured bank loans	27,007,404	27,589,820	2,963,808	1,548,762	9,486,254	13,590,996	-	-
Unsecured bank loans	119,508,368	120,536,771	35,117,657	22,153,946	26,064,880	37,220,288	-	-
Other unsecured loans	2,577,884	2,593,299	320,165	1,338,505	934,629	-	-	-
Notes payable from securitization	5,712,556	6,161,043	8,850	17,701	79,652	5,785,623	269,217	-
Bonds payables	14,956,467	15,954,622	13,780	36,821	4,815,208	8,925,413	2,163,400	-
Other payables	5,850,340	5,850,978	3,932,919	828,760	592,150	347	-	496,802
Deposits relating to collateral of customers	22,114,780	22,347,787	458,034	739,035	5,663,802	14,868,608	-	618,308
Derivative financial liabilities								
Derivative instruments not used for hedging	769	769	-	-	-	769	-	-
	<u>\$ 197,736,481</u>	<u>201,063,002</u>	<u>42,815,213</u>	<u>26,663,530</u>	<u>47,636,575</u>	<u>80,392,044</u>	<u>2,432,617</u>	<u>1,123,023</u>

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	Carrying amount	Contractual cash flows	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	On demand
March 31, 2014								
Non-derivative financial liabilities								
Bank overdraft	\$ 167,753	167,753	-	-	-	-	-	167,753
Secured bank loans	20,376,591	21,332,100	4,615,098	2,341,316	5,488,649	8,887,037	-	-
Unsecured bank loans	108,579,489	109,291,470	32,999,812	21,417,680	24,800,234	29,565,669	508,075	-
Other unsecured loans	3,687,692	3,703,227	906,507	2,665,476	131,244	-	-	-
Notes payable from securitization	341,092	381,872	205	412	1,852	9,880	369,523	-
Bonds payables	14,074,125	14,613,731	-	868,358	8,048,104	5,697,269	-	-
Other payables	3,401,661	3,422,226	1,925,199	184,720	697,968	313	-	614,026
Deposits relating to collateral of customers	18,954,690	19,021,726	156,522	660,203	5,677,872	11,847,792	1,728	677,609
Derivative financial liabilities								
Derivative instruments not used for hedging	4,197	4,197	-	-	-	4,197	-	-
	<u>\$ 169,587,290</u>	<u>171,938,302</u>	<u>40,603,343</u>	<u>28,138,165</u>	<u>44,845,923</u>	<u>56,012,157</u>	<u>879,326</u>	<u>1,459,388</u>

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

3. Currency risks

1) Exposure to currency risks

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

		2015.3.31		
		Foreign currency (In thousands)	Exchange rate	Functional currency
Financial assets				
Monetary items				
USD	\$	3,000.00	USD : TWD 31.3000	93,887
		7,788.00	USD : VND 22,278	243,757
CNY		21,641.00	CNY : USD 0.1612	109,158
Financial liabilities				
Monetary items				
USD	\$	72,810.00	USD : TWD 31.3000	2,278,953
		5,906.00	USD : VND 22,278	184,871
CNY		750,000.00	CNY : USD 0.1612	3,782,996

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		2014.12.31		
		Foreign currency (In thousand)	Exchange rate	Functional currency
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	3,267.05	USD : TWD 31.6500	103,402
		7,615.68	USD : VND 22,056	241,036
CNY		2,544.70	CNY : USD 0.1609	12,958
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		68,518.56	USD : TWD 31.6500	2,168,612
		6,164.55	USD : VND 22,056	195,108
CNY		750,000.00	CNY : USD 0.1609	3,819,000
		2014.3.31		
		Foreign currency (In thousands)	Exchange rate	Functional currency
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	5,374.86	USD : TWD 30.4700	163,772
CNY		19,133.98	CNY : USD 0.1608	93,756
JPY		184,461.13	JPY : TWD 0.2960	54,600
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	\$	91,997.55	USD : TWD 30.4700	2,803,166
		7,149.05	USD : VND 21,842	217,832
CNY		750,000.00	CNY : USD 0.1608	3,674,911

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 \$11,389 and \$12,602, for the three months ended March 31, 2015 and 2014, respectively. Such analysis was performed on the same basis for both period.

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3) The Foreign Currency Gain or Loss on Monetary Items

Since the Company uses multiple functional currencies, the amounts for foreign currency gain or loss are consolidated for presentation. For the three months ended March 31, 2015 and 2014, the foreign currency gain or loss, including realized and unrealized, is \$2,942 of gain and \$968 of loss, respectively.

4. Interest analysis

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

Ending balance as of March 31, 2015	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 %	\$ 12,872,757	10,795,460	656,463	-	-	1,420,834
Debt securities	6.60 %	8,380,607	702,868	2,812,525	4,865,214	-	-
Total accounts receivables	11.46 %	207,224,604	23,351,603	105,037,964	75,128,633	1,213,569	2,492,835
Interest rate swap contract	1.59 %	79,044	79,044	-	-	-	-
		<u>228,557,012</u>	<u>34,928,975</u>	<u>108,506,952</u>	<u>79,993,847</u>	<u>1,213,569</u>	<u>3,913,669</u>
Financial liabilities							
Secured bank loans	5.50 %	28,048,239	18,717,044	4,155,175	5,176,020	-	-
Unsecured bank loans	2.56 %	124,677,627	68,659,854	42,035,296	13,982,477	-	-
Bonds payables	3.70 %	15,304,917	500,000	4,121,192	8,683,725	2,000,000	-
Bank overdraft	7.50 %	5,614	5,614	-	-	-	-
Other unsecured loans	2.88 %	2,384,276	-	2,384,276	-	-	-
Notes payable from securitization	1.87 %	5,673,294	208,294	-	5,465,000	-	-
Deposits relating to collateral of customers	0.17 %	22,565,998	-	2,782,263	3,470,328	-	16,313,407
Interest rate swap contract	0.95 %	1,040	1,040	-	-	-	-
		<u>198,661,005</u>	<u>88,091,846</u>	<u>55,478,202</u>	<u>36,777,550</u>	<u>2,000,000</u>	<u>16,313,407</u>
Net exposure		\$ 29,896,007	(53,162,871)	53,028,750	43,216,297	(786,431)	(12,399,738)

Ending balance as of December 31, 2014	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	1.69 %	\$ 8,338,117	6,052,982	713,754	-	-	1,571,381
Debt securities	6.19 %	9,841,879	710,059	4,577,469	4,554,351	-	-
Total accounts receivables	10.39 %	204,958,296	23,380,889	97,512,314	73,687,255	1,184,436	9,193,402
Cross currency swap contracts	1.68 %	66,495	66,495	-	-	-	-
		223,204,787	30,210,425	102,803,537	78,241,606	1,184,436	10,764,783

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Ending balance as of December 31, 2014	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1~5 years	More than 5 years	
Financial liabilities							
Secured bank loans	5.67 %	27,007,404	17,256,211	4,786,967	4,964,226	-	-
Unsecured bank loans	2.64 %	119,508,368	62,886,707	45,360,961	11,260,700	-	-
Bonds payables	3.71 %	14,956,467	500,000	4,157,210	8,299,257	2,000,000	-
Bank overdraft	7.50 %	7,913	7,913	-	-	-	-
Other unsecured loans	2.93 %	2,577,884	-	2,577,884	-	-	-
Notes payable from securitization	1.86 %	5,712,556	247,556	-	5,465,000	-	-
Deposits relating to collateral of customers	0.64 %	22,114,780	-	2,090,956	3,240,707	-	16,783,117
Interest rate swap contracts	0.94 %	3,589	3,589	-	-	-	-
		191,888,961	80,901,976	58,973,978	33,229,890	2,000,000	16,783,117
Net exposure		\$ 31,315,826	(50,691,551)	43,829,559	45,011,716	(815,564)	(6,018,334)

Ending balance as of March 31, 2014	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	1.29 %	\$ 7,454,389	6,809,936	382,870	-	-	261,583
Debt securities	5.99 %	9,365,391	1,680,446	80,779	7,604,166	-	-
Total accounts receivables	11.29 %	174,642,136	20,730,201	83,580,410	63,043,831	73,650	7,214,044
Interest rate swap contract	0.05 %	10,438	10,438	-	-	-	-
		191,472,354	29,231,021	84,044,059	70,647,997	73,650	7,475,627
Financial liabilities							
Secured bank loans	5.33 %	20,376,591	13,748,307	1,293,554	5,334,730	-	-
Unsecured bank loans	2.77 %	108,579,489	69,714,422	29,832,621	8,563,571	468,875	-
Bonds payables	3.24 %	14,074,125	500,000	4,943,393	8,630,732	-	-
Bank overdraft	7.38 %	167,753	167,753	-	-	-	-
Other unsecured loans	3.11 %	3,687,692	-	3,687,692	-	-	-
Notes payable from securitization	0.71 %	341,092	341,092	-	-	-	-
Deposits relating to collateral of customers	0.87 %	18,954,690	-	2,311,819	2,157,440	1,728	14,483,703
Cross currency swap contracts	0.96 %	4,197	4,197	-	-	-	-
Interest rate swap contracts	1.36 %	5,033	5,033	-	-	-	-
		166,190,662	84,480,804	42,069,079	24,686,473	470,603	14,483,703
Net exposure		\$ 25,281,692	(55,249,783)	41,974,980	45,961,524	(396,953)	(7,008,076)

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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 net profit will decrease or increase by \$120,187 and \$130,636 for the three months ended March 31, 2015 and 2014, respectively. This analysis assumes that all other variables remain constant.

5. Fair value information

1) The Categories and Fair Values of Financial Instruments

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 whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required.) are as follows:

	March 31, 2015				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value though profit or loss					
Financial assets held for trading	\$ 290,810	246,828	43,982	-	290,810
Financial assets at fair value though profit or loss	702,869	-	-	702,869	702,869
Sub-total	993,679	246,828	43,982	702,869	993,679
Hedging of derivative financial assets	35,062	-	35,062	-	35,062
Available-for-sale financial assets					
Domestic and foreign market (OTC) stocks	1,131,099	84,857	1,046,242	-	1,131,099
Measure the fair value of unquoted equity instruments	498,000	-	-	498,000	498,000
Sub-total	1,629,099	84,857	1,046,242	498,000	1,629,099
Held-to maturity investments	7,677,738	-	-	-	-

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		March 31, 2015				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Loan and receivable						
Cash and cash equivalents	12,872,757	-	-	-	-	
Accounts receivable	200,682,478	-	-	-	-	
Other financial assets	1,638,722	-	-	-	-	
Refundable deposits	882,350	-	-	-	-	
Restricted bank deposits	3,669,059	-	-	-	-	
Sub-total	219,745,366	-	-	-	-	
Total	\$ 230,080,944	331,685	1,125,286	1,200,869	2,657,840	
Hedging of derivative financial liabilities						
	\$ 1,040	-	1,040	-	1,040	
Measurement of financial liabilities at amortized cost						
Bank overdrafts	5,614	-	-	-	-	
Secured bank borrowings	28,048,239	-	-	-	-	
Unsecured bank loans	124,677,627	-	-	-	-	
Unsecured other loans from financial institutions	2,384,276	-	-	-	-	
Notes payable from securitization	5,673,294	-	-	-	-	
Bonds payable	15,304,917	-	-	-	-	
Accounts payable	4,856,367	-	-	-	-	
Guarantee deposits	22,565,998	-	-	-	-	
Sub-total	203,516,332	-	-	-	-	
Total	\$ 203,517,372	-	1,040	-	1,040	
		December 31, 2014				
		Book value	Fair value			Total
			Level 1	Level 2	Level 3	
Financial assets at fair value though profit or loss						
Financial assets held for trading	\$ 205,992	177,256	28,736	-	205,992	
Financial assets at fair value though profit or loss	710,059	-	-	710,059	710,059	
Sub-total	916,051	177,256	28,736	710,059	916,051	
Hedging of derivative financial assets						
	37,739	-	37,759	-	37,759	

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	December 31, 2014				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Available-for-sale financial assets					
Domestic and foreign market (OTC) stocks	1,052,668	40,427	1,012,241	-	1,052,668
Measure the fair value of unquoted equity instruments	517,217	-	-	517,217	517,217
Sub-total	1,569,885	40,427	1,012,241	517,217	1,569,885
Held-to maturity investments	9,131,820	-	-	-	-
Loan and receivable					
Cash and cash equivalents	8,338,117	-	-	-	-
Accounts receivable	198,472,945	-	-	-	-
Other financial assets	1,458,092	-	-	-	-
Refundable deposits	799,339	-	-	-	-
Restricted bank deposits	2,200,387	-	-	-	-
Sub-total	211,268,880	-	-	-	-
Total	\$ 222,924,375	217,683	1,078,736	1,227,276	2,523,695
Financial liabilities fair value though profit or loss					
Financial liabilities held for trading	\$ 769	-	769	-	769
Hedging of derivative financial liabilities	2,820	-	2,820	-	2,820
Measurement of financial liabilities at amortized cost					
Bank overdrafts	7,913	-	-	-	-
Secured bank borrowings	27,007,404	-	-	-	-
Unsecured bank loans	119,508,368	-	-	-	-
Unsecured other loans from financial institutions	2,577,884	-	-	-	-
Notes payable from securitization	5,712,556	-	-	-	-
Bonds payable	14,956,467	-	-	-	-
Accounts payable	5,850,340	-	-	-	-
Guarantee deposits	22,114,780	-	-	-	-
Sub-total	197,735,712	-	-	-	-
Total	\$ 197,739,301	-	3,589	-	3,589

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	March 31, 2014				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value though profit or loss					
Financial assets held for trading	\$ 435,393	424,955	10,438	-	435,393
Financial assets at fair value though profit or loss	1,680,447	-	-	1,680,447	1,680,447
Sub-total	2,115,840	424,955	10,438	1,680,447	2,115,840
Available-for-sale financial assets					
Domestic and foreign market (OTC) stocks	1,091,384	94,324	997,060	-	1,091,384
Measure the fair value of unquoted equity instruments	523,891	-	-	523,891	523,891
Sub-total	1,615,275	94,324	997,060	523,891	1,615,275
Held-to maturity investments	7,684,944	-	-	-	-
Loan and receivable					
Cash and cash equivalents	7,454,389	-	-	-	-
Accounts receivable	169,065,196	-	-	-	-
Other financial assets	1,314,165	-	-	-	-
Refundable deposits	514,211	-	-	-	-
Restricted bank deposits	3,767,723	-	-	-	-
Sub-total	182,115,684	-	-	-	-
Total	\$ 193,531,743	519,279	1,007,498	2,204,338	3,731,115
Financial liabilities fair value though profit or loss					
Financial liabilities held for trading	\$ 4,197	-	4,197	-	4,197
Hedging of derivative financial liabilities	5,033	-	5,033	-	5,033
Measure of financial liabilities at amortized cost using					
Bank overdrafts	167,753	-	-	-	-
Secured bank borrowings	20,376,591	-	-	-	-
Unsecured bank loans	108,579,489	-	-	-	-
Unsecured other loans from financial institutions	3,687,692	-	-	-	-
Notes payable from securitization	341,092	-	-	-	-
Bonds payable	14,074,125	-	-	-	-
Accounts payable	3,401,661	-	-	-	-
Guarantee deposits	18,954,690	-	-	-	-
Sub-total	169,583,093	-	-	-	-
Total	\$ 169,592,323	-	9,230	-	9,230

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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. Held-to-Maturity Financial Assets

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. Debt Investment that Has No Active Markets 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 Company's financial instruments that have no active markets, the fair values are listed 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.

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

	At fair value through profit or loss Designated at initial recognition	Available-for-sale financial assets Unquoted equity instruments	Total
Opening balance, January 1, 2015	\$ 710,059	517,217	1,227,276
Total gains and losses recognized:			
In profit or loss	(7,190)	-	(7,190)
In other comprehensive income	-	(19,217)	(19,217)
Ending balance, March 31, 2015	\$ 702,869	498,000	1,200,869
Opening balance, January 1, 2014	\$ 1,699,947	517,685	2,217,632
Total gains and losses recognized:			
In profit or loss	(19,500)	-	(19,500)
In other comprehensive income	-	6,206	6,206
Ending balance, March 31, 2014	\$ 1,680,447	523,891	2,204,338

For the three months ended March 31, 2015 and 2014, 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 on available-for-sale financial assets" were as follows:

	For the three months ended March 31,	
	2015	2014
Total gains and losses recognized :		
In profit or loss, and included "other gains and losses"	\$ (7,190)	(19,500)
In other comprehensive income, and included "unrealized gains and losses on available-for-sale financial assets"	(19,217)	6,206

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

The Company's financial instruments that use level 3 inputs to measure fair values include financial assets measured at fair value through profit or loss---subordinated beneficiary certificate and available-for-sale financial assets---equity investments. Most of these financial instruments using level 3 inputs to measure fair values have only one significant unobservable input, except that the subordinated beneficiary certificate has multiple significant unobservable inputs. For subordinated beneficiary certificate that has no active markets, the significant unobservable inputs are independent and therefore unrelated.

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Quantified information of significant unobservable inputs as follows:

Item	Valuation Technique	Significant Non-observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets measured at fair value through profit or loss - subordinated beneficiary certificate	Discounted Cash Flow Method	<ul style="list-style-type: none"> Expected Asset Repayment Rate (15.5% on March 31, 2015) Expected Loss Given Default Rate (4.58% on March 31, 2015) 	<ul style="list-style-type: none"> The higher the expected asset repayment rate, the higher the fair value. The lower the expected loss given default rate, the higher the fair value.
Available-for-sale financial assets ---equity investments	Net Asset Value ---equity Method	• Net Asset Value	• Not applicable

6) Sensitivity Analysis for Fair Values of Financial Instruments Using Level 3 Inputs

The management believes their fair value measurement on financial instruments is reasonable. However, the measurement would differ if different valuation models or valuation parameters are used. For financial instruments using level 3 inputs, if the valuation parameters are changed, the impact on net income or loss and other comprehensive income or loss are as follows:

	Input	Variation	Impact or Fair Value Change on Net income or loss		Impact of Fair Value Change on Other Comprehensive income or loss	
			Favorable Change	Unfavorable Change	Favorable Change	Unfavorable Change
March 31, 2015						
Financial asset at fair value through profit or loss - subordinated beneficiary certificate	Expects Asset Repayment Rate	10%	\$ <u>6,551</u>	<u>(6,551)</u>	-	-
	Expected Loss Given Default Rate	10%	\$ <u>14,751</u>	<u>(14,751)</u>	-	-

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on different levels of unobservable inputs. The table above shows the impact of a single input. Therefore, the relations and variations between inputs are not considered.

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(t) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note (6)(v) of the consolidated financial statements for the year ended December 31, 2014.

(u) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group have been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2014. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2014. Please refer to Note (6)(x) of the consolidated financial statements for the year ended December 31, 2014 for further details.

(7) Related Party Transactions

(a) Related-party transactions

1. Operating revenue

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

	<u>For the three months ended March 31,</u>	
	<u>2015</u>	<u>2014</u>
Affiliates	\$ <u>45,082</u>	<u>16,389</u>

2. Receivables from related parties

Receivables of the Group from related parties were as follows :

<u>Account</u>	<u>Category of related party</u>	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Capital leases receivable	Affiliates	\$ 391	435	640
Accounts receivable	Affiliates	1,963	6,723	1,957
Other receivables	Affiliates	34,610	13,138	299,353
Other current financial assets	Affiliates	1,000	1,000	1,000
Other non-current financial assets	Affiliates	5,100	5,100	2,900
		\$ <u>43,064</u>	<u>26,396</u>	<u>305,850</u>

3. Payable to related parties

Payable of the Group from related parties were as follows :

<u>Account</u>	<u>Category of related party</u>	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Other current financial liabilities	Affiliates	\$ <u>223</u>	<u>3,275</u>	<u>54,403</u>

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4. Asset transactions

The Group purchased leasehold improvements and other non-current assets from affiliates of \$9,295 and \$380 for the three months ended March 31, 2015 and 2014, respectively.

5. Related-Party Financing

Financing to related parties was as follows :

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Affiliates	\$ <u>345,546</u>	<u>349,409</u>	<u>351,614</u>

The loans receivable bear interest at rates ranging from 3.23% to 4.00%. As of March 31, 2015, December 31, 2014 and March 31, 2014, interest receivable from the loans receivable from affiliates amounted to \$8,513, \$7,935 and \$4,563, respectively. For the three months ended March 31, 2015 and 2014, interest revenue from the loans receivable from affiliates amounted to \$3,014 and \$1,978, respectively.

6. Interest bearing borrowings

Borrowings of the Group from related parties were as follows :

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Affiliates	\$ <u>2,315,549</u>	<u>2,493,104</u>	<u>2,962,585</u>

The borrowings from affiliates bear interest at rates ranging from 2.57% to 7.50%. As of March 31, 2015, December 31, 2014 and March 31, 2014, interest payable from the interest bearing borrowings from affiliates amounted to \$335, \$475 and \$461, respectively. For the three months ended March 31, 2015 and 2014 interest expense from the interest bearing borrowing from affiliates amounted to \$26,626 and \$29,968, respectively.

Bonds payable of the Group from related parties was as follows :

	<u>2015.3.31</u>	<u>2014.12.31</u>	<u>2014.3.31</u>
Affiliates	\$ <u>48,325</u>	<u>48,350</u>	<u>47,210</u>

The bonds payable bear interest at rate 4.50%. As of March 31, 2015, December 31, 2014 and March 31, 2014, interest payable from bonds payable to affiliates amounted to \$30, \$30, and \$29, respectively. For the three months ended March 31, 2015 and 2014, interest expenses from bonds payable to affiliates amounted to \$538 and \$517, respectively.

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7. Others

- 1) As of March 31, 2015, December 31, 2014 and March 31, 2014, bank deposits in financial institutions which are related parties of the Group amounted to \$279,430, \$241,293 and \$245,962, respectively. For the three months ended March 31, 2015 and 2014, interest revenue from the deposits in affiliates amounted to \$22 and \$26, respectively.

- 2) Other revenue and expense with related parties :

	For the three months ended March 31,	
	2015	2014
Affiliates		
Rent expense	\$ 7,537	6,859
Commission and service costs	156	134
Other operating costs	7,108	5,987
	\$ 14,801	12,980

- 3) In 2010, Chailease Finance Co., Ltd. and Chailease Construction & Development Corp. entered into an agreement with a related party, Yi Mao International Development Corp. for joint venture construction of housing units. Under this agreement, Yi Mao International Development Corp. invested its land for use in the construction. Yi Mao, the Company and Chailease Construction & Development Corp share 18.11%, 40.945% and 40.945%, respectively, from the proceeds of the sale of the housing units. The housing units have been sold out as of December 31, 2014.

- (b) Key management personnel compensation

	For the three months ended March 31,	
	2015	2014
Short-term employee benefits	\$ 67,213	71,866
Post-employment benefits	357	256
	\$ 67,570	72,122

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(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2015.3.31	2014.12.31	2014.3.31
Restricted cash in banks				
Restricted account for loans repayment (demand deposits)	Issuance of short-term bills and as guarantee for short-term and long-term borrowings	\$ 3,669,059	2,246,966	3,765,713
Time deposits	Alliance contract guarantee	1,900	1,900	1,900
Property and equipment, and assets held for lease	As guarantee for short-term and long-term borrowings	3,938,990	4,119,420	3,675,968
Equity securities	Issuance of short-term bills and as guarantee for short-term and long-term borrowings	1,138,861	1,134,360	1,112,977
Refundable deposits	Provincial court seizure etc.	656,044	591,965	194,841
Notes receivable	Issuance of short-term bills, corporate bonds and as guarantee for short-term and long-term borrowings	27,305,873	25,904,308	21,789,499
Accounts receivable and loans	As guarantee for short-term and long-term borrowings	61,171,448	61,799,923	41,554,756
Total		\$ 97,882,175	95,798,842	72,095,654

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.

(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 March 31, 2015, December 31, 2014 and March 31, 2014, the balance of unexpired payments from these alliance transactions amounted to \$14,010,217, \$14,342,389 and \$12,258,282, respectively.
- (b) Chailease Finance Co., Ltd. (CFC), together with third parties/co-facilitators, entered into an agreement with CFC customers for purposes of facilitating the extension of loans to these customers by financial institutions, under which, CFC will share with these co-facilitators in the facilitating fee that they earn from this agreement. If the customers default on their payments, CFC is required to pay to the financial institutions its share of the loans on behalf of these customers. As of March 31, 2015, December 31, 2014 and March 31, 2014, the payable balance from these transactions amounted to \$111,815, \$171,396 and \$348,313, respectively.

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- (c) The Group facilitated the extension of financing by financial institutions on behalf of its certain customers under factoring agreements. Such facilitation enables the customers to obtain desired financing from financial institutions. As of March 31, 2015, December 31, 2014 and March 31, 2014, the balance of financing obtained from such facilitation amounted to \$62,641, \$50,769 and \$73,926, respectively.
- (d) 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.

(10) Losses Due to Major Disasters : None.

(11) Subsequent Events : None.

(12) Other

(a) Liquidity analysis of assets and liabilities :

	2015.3.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current assets</u>			
Cash and cash equivalents	\$ 12,872,757	-	12,872,757
Current financial assets at fair value through profit or loss	246,828	-	246,828
Current held-to-maturity financial assets	2,812,525	2,647,285	5,459,810
Current derivative financial assets for hedging	79,044	-	79,044
Accounts receivable, net	111,428,369	55,307,669	166,736,038
Inventories	207	-	207
Other current financial assets	4,935,393	-	4,935,393
Other current assets -- others	3,050,055	-	3,050,055
	<u>\$ 135,425,178</u>	<u>57,954,954</u>	<u>193,380,132</u>

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	2015.3.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
Current liabilities			
Short-term borrowings	\$ 63,887,391	-	63,887,391
Current derivative financial liabilities for hedging	1,040	-	1,040
Accounts and notes payable	2,146,662	-	2,146,662
Current tax payable	1,289,074	-	1,289,074
Other current financial liabilities	9,744,753	13,118,032	22,862,785
Long-term liabilities – current portion	40,219,557	23,796,200	64,015,757
Other current liabilities – others	900,043	-	900,043
	<u>\$ 118,188,520</u>	<u>36,914,232</u>	<u>155,102,752</u>
	2014.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
Current assets			
Cash and cash equivalents	\$ 8,338,117	-	8,338,117
Current financial assets at fair value through profit or loss	205,992	-	205,992
Current held-to-maturity financial assets	4,438,860	2,284,435	6,723,295
Current derivative financial assets for hedging	37,759	-	37,759
Accounts receivable, net	104,481,515	60,452,327	164,933,842
Inventories	207	-	207
Other current financial assets	3,587,175	-	3,587,175
Other current assets – others	3,259,333	-	3,259,333
	<u>\$ 124,348,958</u>	<u>62,736,762</u>	<u>187,085,720</u>

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	2014.12.31		
	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	\$ 66,974,084	-	66,974,084
Current financial liabilities at fair value through profit or loss	769	-	769
Current derivative financial liabilities for hedging	2,820	-	2,820
Accounts and notes payable	2,344,572	-	2,344,572
Current tax payable	1,381,461	-	1,381,461
Other current financial liabilities	4,694,368	18,549,028	23,243,396
Long-term liabilities – current portion	35,081,973	24,162,800	59,244,773
Other current liabilities – others	902,357	-	902,357
	<u>\$ 111,382,404</u>	<u>42,711,828</u>	<u>154,094,232</u>
	2014.3.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current assets</u>			
Cash and cash equivalents	\$ 7,454,389	-	7,454,389
Current financial assets at fair value through profit or loss	435,393	-	435,393
Current held-to-maturity financial assets	2,407,229	4,474,192	6,881,421
Accounts receivable, net	90,650,107	48,565,977	139,216,084
Inventories	12,960	-	12,960
Other current financial assets	5,016,375	-	5,016,375
Other current assets – others	2,410,792	-	2,410,792
	<u>\$ 108,387,245</u>	<u>53,040,169</u>	<u>161,427,414</u>

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	2014.3.31		
	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	\$ 68,252,067	-	68,252,067
Current financial liabilities at fair value through profit or loss	4,197	-	4,197
Current derivative financial liabilities for hedging	5,033	-	5,033
Accounts and notes payable	1,149,814	-	1,149,814
Current tax payable	1,104,532	-	1,104,532
Other current financial liabilities	8,660,066	10,769,020	19,429,086
Advance real estate receipts	5,337	-	5,337
Long-term liabilities – current portion	26,237,672	26,999,815	53,237,487
Other current liabilities – others	691,664	-	691,664
	<u>\$ 106,110,382</u>	<u>37,768,835</u>	<u>143,879,217</u>

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

By item	For the year ended December 31, 2015			For the year ended December 31, 2014		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	13,496	952,496	965,992	12,725	888,506	901,231
Labor and health insurance	1,038	82,985	84,023	870	58,877	59,747
Pension	461	42,321	42,782	431	34,378	34,809
Others	-	71,480	71,480	-	51,982	51,982
Depreciation	342,486	39,551	382,037	298,747	35,269	334,016
Amortization	-	33,974	33,974	-	16,845	16,845

(c) Seasonality of operation:

The Group's operation is neither seasonal nor cyclical.

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(13) Segment Information

Operating segments financial information:

	For the three months ended March 31, 2015					
	Taiwan	China	Thailand	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 3,796,401	3,774,764	649,416	282,468	-	8,503,049
Intersegment revenues	261,147	155,997	-	-	(417,144)	-
Total revenue	\$ 4,057,548	3,930,761	649,416	282,468	(417,144)	8,503,049
Reportable segment profit or loss	\$ 1,132,278	542,695	163,899	(43,696)	-	1,795,176
	For the three months ended March 31, 2014					
	Taiwan	China	Thailand	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 3,982,004	3,648,619	608,162	208,139	-	8,446,924
Intersegment revenues	186,244	-	-	-	(186,244)	-
Total revenue	\$ 4,168,248	3,648,619	608,162	208,139	(186,244)	8,446,924
Reportable segment profit or loss	\$ 1,065,028	528,772	145,619	(101,616)	-	1,637,803