

**CHAILEASE HOLDING COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Three Months Ended March 31, 2019 and 2018**

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

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Independent Auditors' Review Report

To the Board of Directors of Chailease Holding Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Chailease Holding Company Limited (the "Company") and its subsidiaries (together referred to as the "Group") as of March 31, 2019 and 2018, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months ended March 31, 2019 and 2018, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards ("IASs") 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4(b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect total assets amounting to \$78,982,514 thousand and \$65,321,516 thousand, constituting 19% and 19% of consolidated total assets at March 31, 2019 and 2018, respectively, total liabilities amounting to \$52,258,959 thousand and \$43,369,742 thousand, constituting 15% and 15% of consolidated total liabilities at March 31, 2019 and 2018, respectively, and total comprehensive income amounting to \$1,106,415 thousand and \$837,288 thousand, constituting 24% and 25% of consolidated total comprehensive income for the three months ended March 31, 2019 and 2018, respectively.



Furthermore, as stated in Note 6(f), the other equity accounted investments of the Chailease Holding Company Limited and its subsidiaries in its investee companies of \$1,392,671 thousand and \$1,114,712 thousand at March 31, 2019 and 2018, respectively, and its equity in net losses on these investee companies of \$8,743 thousand and \$2,643 thousand for the three months ended March 31, 2019 and 2018, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Chailease Holding Company Limited and its subsidiaries as of March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IASs 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Emphasis of Matter

As stated in Note 3(a), the Group initially adopted the IFRS 16, “Leases” on January 1, 2019 and applied the modified retrospective approach, with no restatement of comparative period amounts. Our conclusion is not qualified in respect of this matter.

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

KPMG

Taipei, Taiwan (Republic of China)

May 10, 2019

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated statement of financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to review such consolidated financial statements are those generally accepted and applied in the Republic of China.

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

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

March 31, 2019, December 31, 2018, and March 31, 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

		2019.3.31		2018.12.31		2018.3.31		LIABILITIES AND EQUITY							
		Amount	%	Amount	%	Amount	%	Amount	%						
Assets															
Current assets :															
1100	Cash and cash equivalents (Notes (6)(a) and (7))	\$ 19,399,739	5	17,579,967	5	17,315,284	5	2100	Short-term borrowings (Notes (6)(k), (7) and (8))	\$ 53,368,574	13	54,056,709	14	36,991,542	11
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	985,706	-	1,005,642	-	1,001,200	-	2110	Short-term notes and bills payable (Notes (6)(j))	70,013,938	17	65,273,584	16	61,953,222	18
1136	Current financial assets at amortized cost (Note (6)(b))	9,862,358	3	10,211,997	3	8,840,696	3	2126	Current financial liabilities for hedging (Note (6)(c))	102,740	-	6,022	-	263,290	-
1139	Current financial assets for hedging (Note (6)(b))	3,417	-	94,684	-	-	-	2170	Accounts payable	5,189,259	1	4,313,564	1	4,217,647	1
1170	Accounts receivable, net (Notes (6)(d), (7) and (8))	275,112,828	65	264,233,577	66	224,831,034	66	2280	Current tax liabilities	2,662,567	1	1,845,873	1	2,542,672	1
1300	Inventories	22,194	-	-	-	47,461	-	2305	Other current financial liabilities (Notes (7))	425,291	-	-	-	-	-
1476	Other current financial assets (Notes (7) and (8))	4,651,227	1	4,354,916	1	3,746,810	1	2320	Long-term liabilities, current portion (Note (6)(k), (6)(l), (7) and (8))	37,524,009	9	37,502,822	9	31,167,142	10
1479	Other current assets (Notes (6)(c) and (7))	5,343,158	1	5,062,848	1	5,576,748	2	2399	Other current liabilities-others	113,674,295	27	108,424,519	27	84,895,076	25
		315,380,627	75	302,543,631	76	261,359,233	77			1,868,781	-	1,390,048	-	1,040,456	-
										284,829,454	68	272,813,141	68	223,071,047	66
Non-current assets :															
1510	Non-current financial assets at fair value through profit or loss (Note (6)(b))	61,640	-	-	-	-	-	2530	Bonds payable (Notes (6)(l))	13,384,377	3	13,017,464	3	15,839,695	5
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	942,439	-	947,180	-	1,054,862	-	2540	Long-term borrowings (Notes (6)(k), (7) and (8))	44,727,700	11	42,428,820	11	34,662,638	10
1535	Non-current financial assets at amortized cost (Note (6)(b))	2,568,355	1	2,058,584	1	1,308,890	1	2570	Deferred tax liabilities (Note (6)(p))	2,756,402	1	2,433,046	1	2,142,165	1
1550	Investments accounted for using equity method (Note (6)(f) and (8))	1,392,671	-	1,268,249	-	1,114,712	-	2580	Non-current lease liabilities (Note (6)(m))	1,846,974	-	-	-	-	-
								2600	Other non-current liabilities (Note (6)(o))	6,652,096	1	5,622,139	1	5,056,589	1
										69,367,549	16	63,501,469	16	57,701,087	17
										354,197,003	84	336,314,610	84	280,772,134	83
Total Liabilities															
Equity attributable to owners of the Company : (Note (6)(q))															
1600	Property, plant and equipment (Notes (6)(g) and (8))							3100	Share Capital	12,895,146	3	12,895,146	3	12,642,300	3
1755	Right-of-use assets (Notes(6)(h))							3200	Capital surplus	17,367,796	4	17,367,796	4	17,367,796	5
1780	Intangible assets (Note (6)(i))							3320	Special reserve	1,397,823	-	1,397,823	-	674,779	-
1840	Deferred tax assets (Note (6)(p))							3350	Unappropriated retained earnings	35,021,124	8	31,649,405	8	27,163,418	8
1930	Long-term accounts receivable, net (Notes (6)(d), (7) and (8))							3400	Other equity items (1,230,779)	-	-	(2,095,945)	-	-	-
1995	Other non-current assets (Notes (7) and (8))								Total equity attributable to owners of the Company	65,451,110	15	61,214,225	15	56,654,760	16
								36XX	Non-controlling interests	3,103,526	1	2,848,874	1	2,652,207	1
									Total equity	68,554,636	16	64,063,099	16	59,306,967	17
TOTAL ASSETS		\$ 422,751,639	100	400,377,709	100	340,079,101	100	TOTAL LIABILITIES AND EQUITY		\$ 422,751,639	100	400,377,709	100	340,079,101	100

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

For the Three Months Ended March 31, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the three months ended March 31,			
		2019		2018	
		Amount	%	Amount	%
Operating revenues: (Note (7))					
4111	Sales revenue	\$ 2,477,790	19	2,318,153	20
4810	Interest revenue - installment sales	2,315,597	18	1,995,681	17
4820	Interest revenue - capital leases	3,883,381	29	2,903,665	25
4300	Rental revenue - operating leases	827,713	7	778,992	7
4230	Interest revenue - loans	1,069,696	8	927,269	8
4240	Other interest revenue	1,093,189	9	858,476	8
4881	Other operating revenue	1,228,359	10	1,756,168	15
		<u>12,895,725</u>	<u>100</u>	<u>11,538,404</u>	<u>100</u>
Operating costs: (Note (7))					
5111	Cost of sales	1,775,951	14	2,005,435	17
5240	Interest expense	1,854,644	14	1,372,842	12
5300	Cost of rental revenue	608,648	5	583,544	5
5800	Other operating costs	784,015	6	291,794	3
		<u>5,023,258</u>	<u>39</u>	<u>4,253,615</u>	<u>37</u>
	Gross profit from operation	7,872,467	61	7,284,789	63
6400	Operating expenses (Note (7))	2,526,038	20	2,294,159	20
6450	Expected credit loss (Note (6)(d))	880,013	7	814,062	7
6500	Net other income and expenses (Note (6)(t))	100,424	1	32,732	1
	Operating profit	<u>4,566,840</u>	<u>35</u>	<u>4,209,300</u>	<u>37</u>
Non-operating income and expenses:					
7100	Interest income	29,346	-	26,316	-
7130	Dividend income	-	-	726	-
7020	Other gains and losses (Note (6)(u))	191,648	2	29,116	-
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method (Note (6)(f))	(8,743)	-	(2,643)	-
		<u>212,251</u>	<u>2</u>	<u>53,515</u>	<u>-</u>
7900	Profit before income tax	4,779,091	37	4,262,815	37
7950	Less: Income tax expenses (Note (6)(p))	1,083,672	8	1,113,242	10
	Profit for the period	<u>3,695,419</u>	<u>29</u>	<u>3,149,573</u>	<u>27</u>
Other comprehensive income (loss):					
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(4,252)	-	(14,498)	-
8349	Income tax related to components that will not be reclassified to profit or loss	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>(4,252)</u>	<u>-</u>	<u>(14,498)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss				
8361	Exchange differences on translation	828,512	6	211,417	2
8368	Gains on hedging instrument	89,457	1	27,365	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(4,220)	-	89	-
8399	Other components of other comprehensive income that will be reclassified to profit or loss	(15,127)	-	(30,227)	-
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>928,876</u>	<u>7</u>	<u>269,098</u>	<u>2</u>
	Other comprehensive income (net of tax)	<u>924,624</u>	<u>7</u>	<u>254,600</u>	<u>2</u>
8500	Total comprehensive income for the period	<u>\$ 4,620,043</u>	<u>36</u>	<u>\$ 3,404,173</u>	<u>29</u>
Profit attributable to:					
8610	Owners of the Company	\$ 3,578,839	28	3,033,993	26
8620	Non-controlling interests	116,580	1	115,580	1
		<u>\$ 3,695,419</u>	<u>29</u>	<u>\$ 3,149,573</u>	<u>27</u>
Comprehensive income attributable to:					
8710	Owners of the Company	\$ 4,444,602	35	3,238,725	28
8720	Non-controlling interests	175,441	1	165,448	1
		<u>\$ 4,620,043</u>	<u>36</u>	<u>\$ 3,404,173</u>	<u>29</u>
9750	Basic earnings per share (NT dollars) (Note (6)(r))	<u>\$ 2.78</u>		<u>\$ 2.35</u>	

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Three Months Ended March 31, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company														
	Other Equity Items														
	Stock	Share capital	Capital surplus	Retained Earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) of effective portion of cash flow hedges	Gains (losses) of effective portion of hedges of net investments in foreign operations	Gains (losses) on hedging instruments	Total equity attributable to owners of the Company	Non-controlling interests	Total equity		
	\$	12,642,300	17,367,796	Special reserve	674,779	24,374,823	(1,491,002)	-	(93,386)	(145)	186,710	-	53,661,875	2,501,946	56,163,821
Balance at January 1, 2018	-	-	-	-	-	(245,840)	-	(93,386)	93,386	145	(186,710)	186,565	(87,145)	-	(332,985)
Effects of retrospective application															
Equity at beginning of period after adjustments	12,642,300	17,367,796	674,779	24,128,983	(1,491,002)	(93,386)	-	-	-	-	186,565	2,414,801	53,416,035	2,414,801	55,830,836
Profit for the three months ended March 31, 2018	-	-	-	3,033,993	-	-	-	-	-	-	-	-	3,033,993	115,580	3,149,573
Other comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	-	189,368	(14,498)	-	-	-	-	29,862	49,868	204,732	49,868	254,600
Total comprehensive income (loss) for the three months ended March 31, 2018	-	-	-	3,033,993	189,368	(14,498)	-	-	-	-	29,862	165,448	3,238,725	165,448	3,404,173
Changes in non-controlling interests												71,958	-	71,958	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	442	-	-	(442)	-	-	-	-	-	-	-	-
Balance at March 31, 2018	\$	12,642,300	17,367,796	27,163,418	(1,301,634)	(108,326)	-	-	-	-	216,427	2,652,207	56,654,760	2,652,207	59,306,967
Balance at January 1, 2019	\$	12,895,146	17,367,796	1,397,823	31,649,405	(184,517)	(1,716,802)	(184,517)	-	-	(194,626)	2,848,874	61,214,225	2,848,874	64,063,099
Effects of retrospective application	-	-	-	(207,717)	-	-	-	-	-	-	-	-	(207,717)	-	(207,717)
Equity at beginning of period after adjustments	12,895,146	17,367,796	1,397,823	31,441,688	(1,716,802)	(184,517)	-	-	-	-	(194,626)	2,848,874	61,006,508	2,848,874	63,855,382
Profit for the three months ended March 31, 2019	-	-	-	3,578,839	-	-	-	-	-	-	-	3,578,839	3,578,839	116,580	3,695,419
Other comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	-	780,558	(4,252)	-	-	-	-	89,457	58,861	865,763	58,861	924,624
Total comprehensive income (loss) for the three months ended March 31, 2019	-	-	-	3,578,839	780,558	(4,252)	-	-	-	-	89,457	175,441	4,444,602	175,441	4,620,043
Changes in non-controlling interests												79,211	-	79,211	-
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	597	-	-	(597)	-	-	-	-	-	-	-	-
Balance at March 31, 2019	\$	12,895,146	17,367,796	35,021,124	(936,244)	(189,366)	-	-	-	-	(105,169)	3,103,526	65,451,110	3,103,526	68,554,636

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

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CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Three Months Ended March 31, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31,	
	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 4,779,091	4,262,815
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	867,395	542,077
Amortization expense	39,753	36,081
Expected credit loss	880,013	814,062
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(5,909)	6,384
Interest expense	1,864,540	1,372,842
Interest income	(8,391,209)	(6,711,407)
Dividend income	-	(726)
Share of loss of associates and joint ventures accounted for using equity method	8,743	2,643
Gain on disposal of property, plant and equipment	(22,010)	(25,736)
Loss on disposal of foreclosed assets	28,545	30,696
Impairment loss on non-financial assets	77,398	113,651
Total adjustments to reconcile profit	(4,652,741)	(3,819,433)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Increase in financial assets at fair value through profit or loss, mandatorily measured at fair value	(33,002)	(97,408)
Increase in accounts receivable	(13,045,452)	(10,279,066)
(Increase) decrease in other current financial assets	(192,570)	13,798
Increase in other current assets	(419,420)	(1,293,892)
Proceeds from sales of operating lease assets	240,889	267,812
Purchase of operating lease assets	(819,609)	(813,970)
Decrease in other operating assets	35,095	28,071
Total changes in operating assets	(14,234,069)	(12,174,655)
Changes in operating liabilities:		
Increase in accounts and notes payable	811,731	213,350
Increase in long term and short term debts	124,293,541	99,027,638
Repayment of long term and short term debts	(114,760,620)	(93,363,344)
(Decrease) increase in other current financial liabilities	(646,853)	727,058
Decrease in accrued pension liabilities	(10,451)	(4,933)
Increase (decrease) in other current liabilities others	490,232	(79,217)
Increase in other operating liabilities	995,543	244,642
Total changes in operating liabilities	11,173,123	6,765,194
Total changes in operating assets and liabilities	(3,060,946)	(5,409,461)
Total adjustments	(7,713,687)	(9,228,894)
Cash outflow used in operations	(2,934,596)	(4,966,079)
Interest received	8,327,092	6,648,315
Dividends received	-	726
Interest paid	(1,830,654)	(1,295,314)
Income taxes paid	(210,887)	(93,146)
Net cash flows provided by operating activities	3,350,955	294,502
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(9,554)
Proceeds from disposal of financial assets at fair value through other comprehensive income	754	17,501
Acquisition of financial assets at amortized cost	(1,544,189)	(3,357,369)
Proceeds from disposal of financial assets at amortized cost	1,384,057	1,044,229
Acquisition of investments accounted for using equity method	(133,848)	-
Acquisition of property, plant and equipment	(1,855,309)	(12,184)
Proceeds from disposal of property, plant and equipment	51,296	71,066
Acquisition of intangible assets	(768)	-
Proceeds from disposal of foreclosed assets	114,041	-
Net cash flows used in investing activities	(1,983,966)	(2,246,311)
Cash flows from financing activities:		
Change in non-controlling interests	79,211	71,958
Payment of lease liabilities	(131,785)	-
Net cash flows (used in) provided by financing activities	(52,574)	71,958
Effect of exchange rate changes on cash and cash equivalents	519,793	164,542
Net increase (decrease) in cash and cash equivalents	1,834,208	(1,715,309)
Cash and cash equivalents at beginning of period	17,565,531	19,030,593
Cash and cash equivalents at end of period	\$ 19,399,739	17,315,284

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS
CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

March 31, 2019 and 2018

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

(1) Company history

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

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

As of March 31, 2019 and 2018, the Company had outstanding common stock of \$12,895,146 and \$12,642,300 divided into 1,289,514,593 shares and 1,264,229,994 shares, respectively.

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

The consolidated financial statements were approved by chairman, reported to Board of Directors and issued on May 10, 2019.

(3) New standards, amendments and interpretations adopted:

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

The following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Group believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16 "Leases"

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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The Group applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings on January 1, 2019. The details of the changes in accounting policies are disclosed below,

1) Definition of a lease

Previously, the Group determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Group assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note (4)(c).

On transition to IFRS 16, the Group elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Group applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

2) As a lessee

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Group. Under IFRS 16, the Group recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Group decided to apply recognition exemptions to short-term leases of building and leases of transportation equipment.

A. Leases classified as operating leases under IAS 17

At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Group's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

- a. their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Group applied this approach to its largest property leases; or
- b. an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Group applied this approach to all other lease.

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In addition, the Group used the following practical expedients when applying IFRS 16 to leases.

- a. Applied a single discount rate to a portfolio of leases with similar characteristics.
- b. Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.
- c. Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.
- d. Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.
- e. Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

B. Leases previously classified as finance leases

For leases that were classified as finance leases under IAS 17, the carrying amount of the right-of-use asset and the lease liability at January 1, 2019 are determined at the carrying amount of the lease asset and lease liability under IAS 17 immediately before that date.

3) As a lessor

The Group is not required to make any adjustments on transition to IFRS 16 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with IFRS 16 from the date of initial application.

Under IFRS 16, the Group is required to assess the classification of a sub-lease by reference to the right-of-use asset, not the underlying asset. On transition, the Group reassessed the classification of a sub-lease contract previously classified as an operating lease under IAS 17. The Group concluded that the sub-lease is a finance lease under IFRS 16.

4) Impacts on financial statements

On transition to IFRS 16, the Group recognized additional \$2,151,333 of right-of-use assets and \$2,156,050 of lease liabilities, respectively, and recognized the difference in retained earnings. When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 2.56%.

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The explanation of differences between operating lease commitments disclosed at the end of the annual reporting period immediately preceding the date of initial application, and lease liabilities recognized in the statement of financial position at the date of initial application disclosed as follows:

	<u>January 1, 2019</u>
Operating lease commitment at December 31, 2018 as disclosed in the Group's consolidated financial statements	\$ 1,972,747
Recognition exemption for:	
short-term leases	(106,358)
Extension and termination options reasonably certain to be exercised	<u>554,326</u>
	<u>2,420,715</u>
Discounted using the incremental borrowing rate at January 1, 2019	<u>2,156,050</u>
Lease liabilities recognized at January 1, 2019	<u><u>\$ 2,156,050</u></u>

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

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Group assessed that the above IFRSs were not relevant to the Group.

(4) Summary of significant accounting policies

The following significant accounting policies have been adopted in preparing the consolidated financial statements and have been applied consistently to all periods presented in these consolidated financial statements, except when otherwise indicated.

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(a) Statement of compliance

These consolidated financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 “Interim Financial Reporting” which are endorsed and issued into effect by FSC and do not include all of the information required by the Regulations and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed and issued into effect by the FSC (hereinafter referred to IFRS endorsed by the FSC) for full annual consolidated financial statements.

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2018. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2018.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.3.31	2018.12.31	2018.3.31	
The Company	Chalease International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	100.00 %	
"	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
"	Chalease International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	100.00 %	(Note b)
"	Chalease International Company (Hong Kong) Limited	Investment	100.00 %	100.00 %	-	% This subsidiary was established on February 13, 2018. The company invested it on September 7, 2018. (Note b)
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chalease International Finance Corporation	Leasing	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp. and Chalease International Finance Corporation	Chalease Finance International Corp.	Leasing	100.00 %	100.00 %	100.00 %	
Chalease International Finance Corporation	Chalease 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
			2019.3.31	2018.12.31	2018.3.31	
Chalease International Company (Malaysia) Limited	Chalease International (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
"	Chalease International Company (UK) Limited	Consulting, aircraft leasing and investment	100.00 %	100.00 %	100.00 %	
"	Chalease Berjaya Credit Sdn. Bhd.	Installment sales	70.00 %	70.00 %	70.00 %	(Note b)
"	Chalease Royal Leasing Plc.	Leasing	60.00 %	60.00 %	60.00 %	(Note b)
"	Chalease Berjaya Finance Corporation	Leasing and financing	60.00 %	60.00 %	60.00 %	(Note b)
"	Chalease Royal Finance Plc.	Financing	60.00 %	60.00 %	-	% Purchased on December 19, 2018. (Note b)
Chalease International Company (UK) Limited	Chalease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	100.00 %	
Chalease International Financial Services Co., Ltd.	Chalease International Financial Services (Liberia) Corp.	Leasing	100.00 %	100.00 %	100.00 %	(Note b)
"	Chalease International Financial Services (Labuan) Co., Ltd.	Leasing	100.00 %	100.00 %	100.00 %	(Note b)
Chalease Berjaya Credit Sdn. Bhd.	Chalease Agency Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	100.00 %	(Note b)
Chalease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	100.00 %	100.00 %	100.00 %	
"	Chalease Specialty Finance Co., Ltd.	Installment sales	100.00 %	100.00 %	100.00 %	
"	My Leasing (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	(Note b)
Chalease International Company (Malaysia) Limited and Chalease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	48.18 %	Please refer to Note (5) for the detailed disclosure of the judgment regarding control of Asia SermKij Leasing Public Co., Ltd.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.3.31	2018.12.31	2018.3.31	
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Co., Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease International Trading Company Limited (Vietnam)	Trading	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Auto Rental Co., Ltd.	Leasing	100.00 %	100.00 %	100.00 %	(Note b)
"	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Finance Securitization Trust 2014	Special Purpose Entity	- %	- %	- %	The subsidiary was established on July 24, 2014, and was terminated on November 23, 2018. (Note a, b)
"	Chailease Finance Securitization Trust 2016	Special Purpose Entity	- %	- %	- %	The subsidiary was established on August 24, 2016. (Note a, b)
"	Yun Tang Inc.	Solar Power business	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Energy Integration Co., Ltd	Solar Power business	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Power Technology Co., Ltd. (Former name: Innovation Energy Integration Co., Ltd.)	Solar Power business	100.00 %	100.00 %	100.00 %	The name of the subsidiary has been changed on March 5, 2018. (Note b)
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd	Factoring and installment sales	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	100.00 %	(Note b)

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.3.31	2018.12.31	2018.3.31	
The Company and Chailease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Financing leasing, real estate, and mortgage	100.00 %	100.00 %	100.00 %	(Note b)
Chailease Consumer Finance Co., Ltd. and Chailease Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	100.00 %	(Note b)
Chailease Specialty Finance Co., Ltd. and Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	100.00 %	(Note b)
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	100.00 %	(Note b)
"	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	100.00 %	(Note b)
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 (Note a) and was liquidated on April, 2018. (Note b)
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	99.99 %	
"	SK Insurance Broker Co., Ltd.	Insurance brokers	100.00 %	100.00 %	100.00 %	(Note b)

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

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

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

Note b: The financial statements have not been reviewed.

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

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(c) Leases (applicable from January 1, 2019)

1. Identifying a lease

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

- 1) The contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and
- 2) The Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- 3) The Group has the right to direct the use of the asset. The Group has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of an asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

2. As a lessee

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

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

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

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

- 1) Fixed payments;
- 2) Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- 3) Amounts expected to be payable under a residual value guarantee; and
- 4) Payments for purchase or termination options that are reasonably certain to be exercised.

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

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

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

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

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

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

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3. As a lessor

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

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

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

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

(d) Income taxes

The income tax expenses have been prepared and disclosed in accordance with paragraph B12 of International Financial Reporting Standards 34, Interim Reporting.

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

For a change in tax rate that is substantively enacted in an interim period, the effect of the change immediately should be recognized in the interim period in which the change occurs.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the tax rates that have been enacted or substantively enacted at the time of the asset or liability is recovered or settled, and be recognized directly in equity or other comprehensive income as tax expense.

(e) Employee benefits

The pension cost in the interim period was calculated and disclosed on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior fiscal year.

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(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 "Interim Financial Reporting" and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2018. For the related information, please refer to Note (5) of the consolidated financial statements for the year ended December 31, 2018.

Accounting policies involve significant judgment and it has no material impact on the consolidated financial statement.

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Cash and demand deposits	\$ 18,311,465	16,615,450	16,673,964
Time deposits	427,578	391,564	201,320
Cash equivalents-repurchase bills	<u>660,696</u>	<u>572,953</u>	<u>440,000</u>
Cash and cash equivalents	19,399,739	17,579,967	17,315,284
Bank overdraft	<u>-</u>	<u>(14,436)</u>	<u>-</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 19,399,739</u>	<u>17,565,531</u>	<u>17,315,284</u>

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

(b) Financial instruments

1. The components of financial assets were as follows :

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Financial assets designated as at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss :			
Securities of listed companies	\$ 285,818	255,306	139,915
Private equity	480	480	-
Non-hedging derivatives	699,408	749,856	861,285
Convertible bond	<u>61,640</u>	<u>-</u>	<u>-</u>
Sub-total	<u>1,047,346</u>	<u>1,005,642</u>	<u>1,001,200</u>

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	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Financial assets at fair value through other comprehensive income			
Securities of listed companies	832,588	838,348	947,774
Emerging stock	3,964	3,366	2,857
Private equity	<u>105,887</u>	<u>105,466</u>	<u>104,231</u>
Sub-total	<u>942,439</u>	<u>947,180</u>	<u>1,054,862</u>
Financial assets measured at amortized cost			
Investment in debt securities	<u>12,430,713</u>	<u>12,270,581</u>	<u>10,149,586</u>
Current financial assets for hedging	<u>3,417</u>	<u>94,684</u>	<u>-</u>
Total	<u>\$ 14,423,915</u>	<u>14,318,087</u>	<u>12,205,648</u>

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

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

2. Financial assets measured at amortized cost

The Group purchased debt securities issued by real estate asset trust. These debt securities have maturity dates between 2019 and 2022, and bear effective annual interest rate ranging from 2.53%~8.20%.

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

(c) Derivative instruments used for hedging

As of March 31, 2019, December 31, 2018, and March 31, 2018, the Group held derivative instruments qualified for hedge accounting as follows:

Nominal Amount	<u>2019.3.31</u>				Contract Period
	Currency	Interest Rate Payable	Interest Rate Receivable		
USD 5,320	USD to MYR	4.83%	90 Day LIBOR+ 1.4%		2018.06.04~
MYR 21,200					2020.03.02
USD 12,000	USD to CNY	4.83%	90 Day LIBOR+ 1.35%		2019.03.20~
MYR 48,960					2022.03.21
USD 50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%		2017.10.23~
CNY 331,000					2020.10.23

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		2019.3.31			
	Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23

		2018.12.31			
	Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	5,600	USD to MYR	4.83%	90 Day LIBOR+ 1.4%	2018.06.04~
MYR	22,316				2020.03.02
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23

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		2018.3.31		
Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD 6,720	USD to MYR	4.58%	90 Day LIBOR+ 1.4%	2017.08.08~
MYR 27,468				2020.02.29
USD 50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY 331,000				2020.10.23
USD 100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY 665,200				2020.11.20
USD 50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY 332,250				2020.12.18
USD 50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY 331,400				2020.12.18

1. Cash flow hedge

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

Hedged item	Hedge Instrument	Fair Value			Expected Cash flow Period	Hedge Period
		2019.3.31	2018.12.31	2018.3.31		
USD loans	Cross Currency Swap	\$ 3,417	94,684	(263,290)	2017~2020	2017~2020
USD loans and JPY loans	Cross Currency Swap	(102,740)	(6,022)	-	2018~2022	2018~2022

Item	For the three months ended March 31,	
	2019	2018
The fair value adjustment to other comprehensive income	\$ <u>101,717</u>	<u>(13,305)</u>

2. Hedge of net investment in foreign operation

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

Hedged Item	Hedge Instrument	Designated Hedging Instrument		
		Fair Value		
		2019.3.31	2018.12.31	2018.3.31
Equity investment measured in Foreign currency				
USD	USD borrowings	\$ <u>4,068,240</u>	<u>3,440,080</u>	<u>1,804,510</u>

There were no effects of ineffectiveness recognized in profit or loss that arises from hedges of net investments in foreign operation, Golden Bridge (B.V.I.) Corp., for the three months ended March 31, 2019 and 2018.

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(d) Accounts receivable, net

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Current			
Accounts receivable	\$ 26,916,885	25,017,035	21,522,463
Less: Allowance for impairment	<u>(712,192)</u>	<u>(672,901)</u>	<u>(651,198)</u>
	<u>26,204,693</u>	<u>24,344,134</u>	<u>20,871,265</u>
Installment sales receivable	92,204,958	89,864,903	82,815,603
Less: Unearned interests	<u>(8,929,727)</u>	<u>(8,596,689)</u>	<u>(7,724,445)</u>
Allowance for impairment	<u>(3,093,430)</u>	<u>(3,030,389)</u>	<u>(3,073,314)</u>
	<u>80,181,801</u>	<u>78,237,825</u>	<u>72,017,844</u>
Leases receivable (included operating leases)	140,807,958	136,913,485	108,105,189
Less: Unearned revenue	<u>(17,118,317)</u>	<u>(18,984,723)</u>	<u>(13,565,361)</u>
Allowance for impairment	<u>(3,806,922)</u>	<u>(3,873,586)</u>	<u>(3,913,050)</u>
	<u>119,882,719</u>	<u>114,055,176</u>	<u>90,626,778</u>
Loans receivable	49,815,566	48,582,739	42,301,414
Less: Allowance for impairment	<u>(971,951)</u>	<u>(986,297)</u>	<u>(986,267)</u>
	<u>48,843,615</u>	<u>47,596,442</u>	<u>41,315,147</u>
Sub-total of current accounts	<u>275,112,828</u>	<u>264,233,577</u>	<u>224,831,034</u>
Non Current			
Accounts receivable	12,463,970	11,530,100	8,092,501
Less: Allowance for impairment	<u>(179,530)</u>	<u>(167,035)</u>	<u>(122,030)</u>
	<u>12,284,440</u>	<u>11,363,065</u>	<u>7,970,471</u>
Installment sales receivable	44,169,787	41,578,182	35,562,068
Less: Unearned interests	<u>(5,095,739)</u>	<u>(4,699,281)</u>	<u>(3,860,369)</u>
Allowance for impairment	<u>(649,543)</u>	<u>(620,965)</u>	<u>(691,788)</u>
	<u>38,424,505</u>	<u>36,257,936</u>	<u>31,009,911</u>
Leases receivable	10,059,524	37,519,113	23,971,240
Less: Unearned revenue	<u>(977,887)</u>	<u>(13,614,760)</u>	<u>(8,243,640)</u>
Allowance for impairment	<u>(174,835)</u>	<u>(149,286)</u>	<u>(129,985)</u>
	<u>8,906,802</u>	<u>23,755,067</u>	<u>15,597,615</u>
Loans receivable	8,734,441	7,754,978	6,025,226
Less: Allowance for impairment	<u>(365,370)</u>	<u>(347,364)</u>	<u>(254,036)</u>
	<u>8,369,071</u>	<u>7,407,614</u>	<u>5,771,190</u>
Sub-total of non current accounts	<u>67,984,818</u>	<u>78,783,682</u>	<u>60,349,187</u>
Total accounts receivable	<u>\$ 343,097,646</u>	<u>343,017,259</u>	<u>285,180,221</u>

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

	For the three months ended March 31,	
	2019	2018
Opening balance (Under IAS 39)	\$ 9,847,823	9,269,268
Initial adjustment of IFRS 9	-	429,180
Opening balance (Under IFRS 9)	9,847,823	9,698,448
Impairment loss recognized	880,013	814,062
Bad debts written off	(909,530)	(778,847)
Effect of exchange rate changes	135,467	88,005
Ending balance	<u>\$ 9,953,773</u>	<u>9,821,668</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).
3. A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	2019.3.31
Less than one year	\$ 80,465,224
One to two years	46,199,111
Two to three years	19,400,413
Three to four years	2,759,607
Four to five years	1,277,019
More than five years	<u>624,025</u>
Gross investment in the leases	150,725,399
Unearned revenue	<u>(18,096,204)</u>
Present value of minimum leases receivable	<u>\$ 132,629,195</u>

	Gross investment in the leases	Unearned revenue	Present value of minimum leases receivable
December 31, 2018			
Within operating cycle	\$ 136,778,289	(18,984,723)	117,793,566
Beyond one operating cycle to 5 years	10,682,496	(1,270,953)	9,411,543
Beyond 5 years	<u>26,836,617</u>	<u>(12,343,807)</u>	<u>14,492,810</u>
	<u>\$ 174,297,402</u>	<u>(32,599,483)</u>	<u>141,697,919</u>

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	Gross investment in the leases	Unearned revenue	Present value of minimum leases receivable
March 31, 2018			
Within operating cycle	\$ 107,977,410	(13,565,361)	94,412,049
Beyond one operating cycle to 5 years	8,048,708	(942,778)	7,105,930
Beyond 5 years	<u>15,922,532</u>	<u>(7,300,862)</u>	<u>8,621,670</u>
	<u>\$ 131,948,650</u>	<u>(21,809,001)</u>	<u>110,139,649</u>

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

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

	2018.12.31	2018.3.31
Within operating cycle	\$ 2,597,706	2,331,811
Beyond one operating cycle to 5 years	2,029,923	2,090,902
Beyond 5 years	<u>43,345</u>	<u>5,128</u>
	<u>\$ 4,670,974</u>	<u>4,427,841</u>

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, 2019			
Within operating cycle	\$ 92,204,958	(8,929,727)	83,275,231
Beyond one operating cycle to 5 years	41,938,545	(4,796,674)	37,141,871
Beyond 5 years	<u>2,231,242</u>	<u>(299,065)</u>	<u>1,932,177</u>
	<u>\$ 136,374,745</u>	<u>(14,025,466)</u>	<u>122,349,279</u>

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	Gross investment in the installment sales	Unearned interests	Present value of installment sales receivable
December 31, 2018			
Within operating cycle	\$ 89,864,903	(8,596,689)	81,268,214
Beyond one operating cycle to 5 years	39,630,256	(4,432,772)	35,197,484
Beyond 5 years	1,947,926	(266,509)	1,681,417
	\$ 131,443,085	(13,295,970)	118,147,115
March 31, 2018			
Within operating cycle	\$ 82,815,603	(7,724,445)	75,091,158
Beyond one operating cycle to 5 years	34,299,014	(3,683,529)	30,615,485
Beyond 5 years	1,263,054	(176,840)	1,086,214
	\$ 118,377,671	(11,584,814)	106,792,857

6. 2014 Securitization

In 2014, the Group securitized its financial assets, consisting of conditional sales receivable, installment sales receivable, and capital leases receivable, with an aggregate carrying amount of \$6,499,797. 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 \$5,465,000 in cash from issuing these beneficiary certificates. Because the Group acquired all of the subordinated beneficiary certificates, the Group had control over the SPEs. The SPEs are classified as "Investments accounted under equity method". The downstream transactions are eliminated by the difference between the following two amounts.

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

The SPEs trusts are included in the consolidated financial statements and recognized as liabilities for issue amount.

These beneficiary certificates are redeemable for the period from July 24, 2014 to July 24, 2021. 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	5,079,000	5,079,000	1.85 %	Monthly
twA	2nd	386,000	386,000	2.65 %	Monthly
Subordinated	3rd	1,034,797	1,294,462	None	Monthly

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On October 25, 2018, the special purpose trust has fully redeemed beneficiary certificates twAAA and twA. As the process of its liquidation was completed on November 23, 2018, the Group received \$690,643 from the return of subordinated certificates. And, the special purpose entity has been dissolved, as a result the combination has been suspended.

On November 20, 2018, the company signed a contract for the purchase of debts with special purpose trust entity, and purchased the receivables from special purpose individuals for a total price of \$480,272.

7. 2016 Securitization

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

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

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

These beneficiary certificates are redeemable for the period from August 24, 2016 to August 24, 2023. 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	3,750,000	3,750,000	1.90 %	Monthly
twA	2nd	343,200	343,200	2.45 %	Monthly
Subordinated	3rd	880,589	1,118,309	None	Monthly

(e) Other current assets - others

	2019.3.31	2018.12.31	2018.3.31
Prepayments	\$ 3,275,434	3,011,079	4,089,654
Prepaid expenses	1,858,208	1,768,036	1,329,052
Foreclosed assets	198,998	281,950	151,411
Others	10,518	1,783	6,631
	<u>\$ 5,343,158</u>	<u>5,062,848</u>	<u>5,576,748</u>

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As of March 31, 2019, December 31, 2018, and March 31, 2018, foreclosed assets held by the Group were as follows:

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Foreclosed assets	\$ 278,208	356,641	214,322
Less: Accumulated impairment	<u>(79,210)</u>	<u>(74,691)</u>	<u>(62,911)</u>
	<u>\$ 198,998</u>	<u>281,950</u>	<u>151,411</u>

For the three months ended March 31, 2019 and 2018, the Group recognized an impairment loss of \$2,904 and \$16,943, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and a disposal loss of \$28,545 and \$30,696 for the three months ended March 31, 2019 and 2018, respectively.

(f) Investments accounted under equity method

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

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Investments in affiliates	\$ <u>1,392,671</u>	<u>1,268,249</u>	<u>1,114,712</u>
	<u>For the three months ended March 31,</u>		
	<u>2019</u> <u>2018</u>		
Comprehensive income attributable to the Group			
Gain (loss) for the period	\$ (8,743)	(2,643)	
Other comprehensive income	<u>(4,220)</u>	<u>89</u>	
Total comprehensive income	<u>\$ (12,963)</u>	<u>(2,554)</u>	

2. Investments accounted for using equity method and the consolidated company listed in Note (4)(b) were recognized the profit or loss and other comprehensive income with the financial statements reviewed by the accountants during the same period, and the others were calculated based on the financial statements which were not reviewed by the accountants.

3. 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).

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(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, 2019 and 2018, were as follows:

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Cost:					
Balance at January 1, 2019	\$ 2,940,418	11,878,781	1,710,588	189,261	16,719,048
Effects of retrospective application	-	-	16,568,910	-	16,568,910
Additions	-	809,571	1,855,999	9,348	2,674,918
Disposals	-	(611,365)	(59,415)	-	(670,780)
Effect of movements in exchange rate	37,610	6,469	7,658	244	51,981
Balance at March 31, 2019	<u>\$ 2,978,028</u>	<u>12,083,456</u>	<u>20,083,740</u>	<u>198,853</u>	<u>35,344,077</u>
Balance at January 1, 2018	\$ 2,934,645	11,129,091	1,448,670	173,084	15,685,490
Additions	-	745,126	80,536	492	826,154
Disposals	-	(607,587)	(128,472)	(158)	(736,217)
Effect of movements in exchange rate	28,520	(23,437)	4,866	(1,596)	8,353
Balance at March 31, 2018	<u>\$ 2,963,165</u>	<u>11,243,193</u>	<u>1,405,600</u>	<u>171,822</u>	<u>15,783,780</u>
Depreciation and impairment losses:					
Balance at January 1, 2019	\$ 594,863	4,418,460	1,207,996	148,428	6,369,747
Effects of retrospective application	-	-	1,014,796	-	1,014,796
Depreciation for the year	13,753	526,684	202,735	3,520	746,692
Impairment loss	-	58,760	15,734	-	74,494
Disposals	-	(397,272)	(3,333)	-	(400,605)
Effect of movements in exchange rate	5,098	3,648	5,067	120	13,933
Balance at March 31, 2019	<u>\$ 613,714</u>	<u>4,610,280</u>	<u>2,442,995</u>	<u>152,068</u>	<u>7,819,057</u>
Balance at January 1, 2018	\$ 586,820	3,949,680	956,336	133,427	5,626,263
Depreciation for the year	13,164	484,989	40,378	3,546	542,077
Impairment loss	-	62,610	34,098	-	96,708
Disposals	-	(393,665)	(29,252)	(158)	(423,075)
Effect of movements in exchange rate	3,314	(7,543)	3,042	(520)	(1,707)
Balance at March 31, 2018	<u>\$ 603,298</u>	<u>4,096,071</u>	<u>1,004,602</u>	<u>136,295</u>	<u>5,840,266</u>
Carrying amounts:					
Balance at January 1, 2019	<u>\$ 2,345,555</u>	<u>7,460,321</u>	<u>502,592</u>	<u>40,833</u>	<u>10,349,301</u>
Balance at March 31, 2019	<u>\$ 2,364,314</u>	<u>7,473,176</u>	<u>17,640,745</u>	<u>46,785</u>	<u>27,525,020</u>
Balance at January 1, 2018	<u>\$ 2,347,825</u>	<u>7,179,411</u>	<u>492,334</u>	<u>39,657</u>	<u>10,059,227</u>
Balance at March 31, 2018	<u>\$ 2,359,867</u>	<u>7,147,122</u>	<u>400,998</u>	<u>35,527</u>	<u>9,943,514</u>

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

For the impairment test of its leasing asset, management estimated the recoverable amount based on its value in use, which was determined by using the cost of capital 1.17%~6.04% and 1.18%~5.95% for the three months ended March 31, 2019 and 2018, respectively, to reflect the specific risk associated with its cash generating units.

Assets held for lease, which were partially pledged for the Group's long-term debts and short-term debts, were discussed further in Note (8).

(h) Right-of-use assets

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

	<u>Land and buildings</u>	<u>Transportation equipment</u>	<u>Total</u>
Cost:			
Balance as of January 1, 2019	\$ -	-	-
Effects of retrospective application	<u>2,793,602</u>	<u>86,122</u>	<u>2,879,724</u>
Balance as of January 1, 2019 after adjustments	2,793,602	86,122	2,879,724
Disposals and Releases	(213,195)	-	(213,195)
Purchase	344,169	-	344,169
Effect of changes in foreign exchange rates	<u>652</u>	<u>309</u>	<u>961</u>
Balance as of March 31, 2019	<u>\$ 2,925,228</u>	<u>86,431</u>	<u>3,011,659</u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2019	\$ -	-	-
Effects of retrospective application	<u>728,391</u>	-	<u>728,391</u>
Balance as of January 1, 2019 after adjustments	728,391	-	728,391
Depreciation for the year	110,658	10,045	120,703
Disposals and Releases	(95,884)	-	(95,884)
Effect of changes in foreign exchange rates	<u>71</u>	<u>36</u>	<u>107</u>
Balance as of March 31, 2019	<u>\$ 743,236</u>	<u>10,081</u>	<u>753,317</u>
Carrying amount:			
Balance as of March 31, 2019	<u>\$ 2,181,992</u>	<u>76,350</u>	<u>2,258,342</u>

The Group's finance lease is classified as property, plant and equipment for the three months ended March 31, 2018, please refer to Note (6)(g). The Group leases offices under an operating lease, please refer to Note (6)(n).

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(i) Intangible assets

	<u>Goodwill</u>	<u>Software</u>	<u>Total</u>
Carrying amounts:			
Balance at January 1, 2019	\$ <u>61,051</u>	<u>14,695</u>	<u>75,746</u>
Balance at March 31, 2019	\$ <u>61,101</u>	<u>14,688</u>	<u>75,789</u>
Balance at January 1, 2018	\$ <u>46,448</u>	<u>17,412</u>	<u>63,860</u>
Balance at March 31, 2018	\$ <u>46,448</u>	<u>16,498</u>	<u>62,946</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the three months ended March 31, 2019 and 2018. Information on amortization for the period is discussed in Note (12)(b). Please refer to Note (6)(h) of the 2018 annual consolidated financial statements for other related information.

(j) Short-term notes and bills payable

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

2019.3.31			
	<u>Guarantee or Acceptance Agency</u>	<u>Annual Interest Rate</u>	<u>Amount</u>
Commercial paper payables	Bank	0.73%~1.34%	\$ 47,220,000
	Bills Finance Company	0.71%~1.20%	23,030,000
Less: Discount on short-term notes and bills payable			<u>(236,062)</u>
Total			<u>\$ 70,013,938</u>

2018.12.31			
	<u>Guarantee or Acceptance Agency</u>	<u>Annual Interest Rate</u>	<u>Amount</u>
Commercial paper payables	Bank	0.73%~1.19%	\$ 44,120,000
	Bills Finance Company	0.75%~1.24%	21,330,000
Less: Discount on short-term notes and bills payable			<u>(176,416)</u>
Total			<u>\$ 65,273,584</u>

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	2018.3.31	
	Guarantee or Acceptance Agency	Annual Interest Rate
Commercial paper payables	Bank	0.69%~1.20%
	Bills Finance Company	0.69%~1.21%
Less: Discount on short-term notes and bills payable		(126,778)
Total		\$ 61,953,222

The Group's short-term notes and bills payable were not pledged as assets for guarantee.

(k) Long-term and short-term borrowings

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

	2019.3.31		
	Currency	Annual Interest Rate	Years of Maturity
Secured bank loans	TWD	1.04%	2019~2022
"	USD	3.20%~5.75%	2019~2022
"	THB	2.08%~3.37%	2019~2021
"	CNY	4.35%~6.17%	2019~2022
"	VND	4.40%~6.17%	2019~2020
Unsecured bank loans	TWD	0.85%~2.11%	2019~2027
"	USD	3.15%~5.70%	2019~2022
"	THB	1.95%~3.25%	2019~2021
"	CNY	4.35%~5.70%	2019~2022
"	EUR	0.75%~1.25%	2019
"	JPY	1.15%~1.25%	2019
"	HKD	2.35%	2019
"	SGD	3.28%	2019
"	MYR	4.50%~5.10%	2019~2020
"	PHP	4.50%~6.00%	2019~2020
"	AUD	3.30%	2019
Notes payable from securitization	TWD	1.90%~2.45%	2019~2021
Total			\$ 204,271,301

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2019.3.31				
	Currency	Annual Interest Rate	Years of Maturity	Amount
Current				\$ 159,543,601
Non-current				44,727,700
Total				<u>\$ 204,271,301</u>

2018.12.31				
	Currency	Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	1.04%~1.10%	2019~2021	\$ 730,000
"	USD	3.20%~5.50%	2019	1,011,782
"	THB	2.05%~3.30%	2019~2021	7,965,831
"	CNY	4.35%~6.17%	2019~2021	31,752,559
"	VND	3.75%~6.90%	2019	5,011,020
Unsecured bank loans	TWD	0.80%~2.03%	2019~2027	68,602,590
"	USD	3.03%~5.00%	2019~2021	22,248,383
"	THB	1.95%~7.13%	2019~2021	15,465,595
"	CNY	4.35%~5.70%	2019~2021	34,110,043
"	EUR	1.01%~1.25%	2019	770,880
"	JPY	1.15%~1.25%	2019	222,622
"	HKD	2.85%	2019	74,500
"	SGD	3.65%	2019	168,600
"	MYR	4.50%~5.10%	2019	3,961,384
"	PHP	4.25%~5.75%	2019~2020	214,543
"	AUD	3.20%	2019	270,814
Notes payable from securitization	TWD	1.90%~2.45%	2019~2021	4,093,200
Total				<u>\$ 196,674,346</u>
Current				\$ 154,245,526
Non-current				42,428,820
Total				<u>\$ 196,674,346</u>

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2018.3.31				
	Currency	Annual Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	1.04%	2018	\$ 100,000
"	USD	1.90%~4.75%	2018~2019	1,820,251
"	THB	2.05%~3.90%	2018~2020	8,376,504
"	CNY	4.35%~5.46%	2018~2021	27,582,100
"	VND	2.36%~4.90%	2018	3,595,360
Unsecured bank loans	TWD	0.69%~2.11%	2018~2027	49,163,558
"	USD	2.37%~4.60%	2018~2020	15,365,131
"	EUR	0.96%~1.25%	2018	520,113
"	THB	2.05%~3.40%	2018~2020	12,290,832
"	JPY	1.15%	2018	54,776
"	CNY	4.35%~5.61%	2018~2021	25,082,286
"	HKD	1.80%	2018	96,407
"	MYR	4.00%~5.50%	2018~2019	2,179,800
"	GBP	1.47%	2018	122,370
Notes payable from securitization	TWD	1.85%~2.65%	2019~2021	5,551,283
Total				<u>\$ 151,900,771</u>
Current				\$ 117,238,133
Non-current				<u>34,662,638</u>
Total				<u>\$ 151,900,771</u>

For information on the Group's interest risk, currency risk, and liquidity risk, please refers to Note (6)(u). 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) The Company, entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

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- 2) A subsidiary, Chailease Finance Co., Ltd., entered into several syndicated credit agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, self-owned asset ratio, etc.) Otherwise, the loans are due and payable immediately.
- 3) A subsidiary, 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.
- 4) 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.
- 5) A subsidiary, Grand Pacific Financing Corp. (California), entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loan is due and payable immediately.
- 6) 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.
- 7) 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, 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.
- 8) 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.
- 9) 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.
- 10) 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.

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- 11) 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.
- 12) A subsidiary, Chailease Berjaya Credit Sdn Bhd., entered into several credit/loan agreements with financial institutions, under which, Chailease Berjaya Credit Sdn Bhd., shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.

As of December 31, 2018, the Group was in compliance with the financial covenants mentioned above.

(I) Bonds payable

Period	Annual Interest Rate	Principal Amount	Repayment Terms	2019.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.06.16~ 2019.06.16	1.500%	450,000	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.	225,000	-	None
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	"
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	3,000,000	-	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	1,350,000	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2019.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2018.09.26~ 2025.09.26	1.260%	700,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	700,000	None
2017.09.26~ 2020.09.26	1.05%	3,500,000	"	3,500,000	-	"
2016.03.29~ 2019.04.03	2.920%	THB 155,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	150,970	-	"
2016.06.16~ 2019.06.11	2.930%	THB 100,000	"	97,400	-	"
2016.07.25~ 2019.08.01	2.910%	THB 205,000	"	199,670	-	"
2016.07.28~ 2019.07.30	2.930%	THB 235,000	"	228,890	-	"
2016.06.28~ 2020.06.29	3.25%	THB 200,000	"	-	194,800	"
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	97,400	-	"
2017.04.27~ 2020.05.15	2.960%	THB 150,000	"	-	146,100	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	"	-	107,140	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	-	1,461,000	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	-	974,000	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	-	487,000	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	-	487,000	"
2019.01.30~ 2021.02.05	3.000%	THB 290,000	"	-	282,460	"
2019.02.28~ 2022.01.31	3.200%	THB 100,000	"	-	97,400	"
Bonds payable (Gross)				7,499,330	13,386,900	
Discounts on bonds payable				(62)	(2,523)	
				<u>\$ 7,499,268</u>	<u>13,384,377</u>	

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				Within Operating Cycle	Beyond Operating Cycle	
2014.06.16~ 2019.06.16	1.500%	450,000	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.	225,000	-	None
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	"
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	3,000,000	-	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	1,350,000	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.09.26~ 2020.09.26	1.05%	3,500,000	"	3,500,000	-	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000	"	-	700,000	"
2016.02.02~ 2019.02.02	2.970%	THB 300,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	285,960	-	"
2016.02.17~ 2019.02.21	2.970%	THB 100,000	"	95,320	-	"
2016.03.29~ 2019.04.03	2.920%	THB 155,000	"	147,746	-	"
2016.06.16~ 2019.06.11	2.930%	THB 100,000	"	95,320	-	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2018.12.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2016.06.24~ 2019.03.21	2.920%	THB 300,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	285,960	-	None
2016.07.13~ 2019.03.29	2.920%	THB 190,000	"	181,108	-	"
2016.07.25~ 2019.08.01	2.910%	THB 205,000	"	195,406	-	"
2016.07.28~ 2019.07.30	2.930%	THB 235,000	"	224,002	-	"
2016.06.28~ 2020.06.29	3.250%	THB 200,000	"	-	190,640	"
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	95,320	"
2017.04.27~ 2020.05.15	2.960%	THB 150,000	"	-	142,980	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	"	-	104,852	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	-	1,429,800	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	-	953,200	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	-	476,600	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	-	476,600	"
Bonds payable (Gross)				8,235,822	13,019,992	
Discounts on bonds payable				(120)	(2,528)	
				<u>\$ 8,235,702</u>	<u>13,017,464</u>	

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2018.3.31		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2013.07.22~ 2018.07.22	1.600%	1,400,000	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.	700,000	-	None
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	"
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,500,000	1,500,000	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	1,350,000	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2017.09.26~ 2020.09.26	1.050%	3,500,000	"	-	3,500,000	"
2015.06.04~ 2018.06.04	3.400%	THB 300,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	281,520	-	"
2015.08.13~ 2018.08.14	3.100%	THB 150,000	"	140,760	-	"
2015.09.03~ 2018.08.28	3.100%	THB 150,000	"	140,760	-	"
2016.04.27~ 2018.04.27	2.630%	THB 500,000	"	469,200	-	"
2016.07.29~ 2018.07.30	2.630%	THB 140,000	"	131,376	-	"

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Period	Annual Interest Rate	Principal Amount		Repayment Terms	2018.3.31		Collateral Note
					Within Operating Cycle	Beyond Operating Cycle	
2016.02.02~ 2019.02.02	2.970%	THB	300,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	281,520	-	"
2016.02.17~ 2019.02.21	2.970%	THB	100,000	"	93,840	-	"
2016.03.29~ 2019.04.03	2.920%	THB	155,000	"	-	145,452	"
2016.06.16~ 2019.06.11	2.930%	THB	100,000	"	-	93,840	"
2016.06.24~ 2019.03.21	2.920%	THB	300,000	"	281,520	-	"
2016.06.28~ 2020.06.29	3.250%	THB	200,000	"	-	187,680	"
2016.07.13~ 2019.03.29	2.920%	THB	190,000	"	178,296	-	"
2016.07.25~ 2019.08.01	2.910%	THB	205,000	"	-	192,372	"
2016.07.28~ 2019.07.30	2.930%	THB	235,000	"	-	220,524	"
2017.02.24~ 2020.02.28	2.950%	THB	100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	93,840	"
2017.04.27~ 2020.05.15	2.960%	THB	150,000	"	-	140,760	"
2017.07.07~ 2020.07.07	2.980%	THB	110,000	"	-	103,224	"
2017.08.08~ 2020.08.10	2.930%	THB	1,500,000	"	-	1,407,600	"
2018.02.15~ 2021.02.15	2.860%	THB	1,000,000	"	-	938,400	"
2018.03.20~ 2021.03.25	2.860%	THB	500,000	"	-	469,200	"
Bonds payable (Gross)					4,648,792	15,842,892	
Discounts on bonds payable					(307)	(3,197)	
					<u>\$ 4,648,485</u>	<u>15,839,695</u>	

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(m) Lease liabilities

The Group's lease liability were as follows:

	2019.3.31		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Within operating cycle	\$ 460,027	34,736	425,291
Beyond one operating cycle to 5 years	1,468,000	121,123	1,346,877
Beyond 5 years	<u>626,630</u>	<u>126,533</u>	<u>500,097</u>
	<u><u>\$ 2,554,657</u></u>	<u><u>282,392</u></u>	<u><u>2,272,265</u></u>
Current	<u>\$ 460,027</u>	<u>34,736</u>	<u>425,291</u>
Non-current	<u><u>\$ 2,094,630</u></u>	<u><u>247,656</u></u>	<u><u>1,846,974</u></u>

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31, 2019
Interest on lease liabilities	\$ <u>9,896</u>
Expenses relating to short-term leases	\$ <u>76,950</u>

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

	For the three months ended March 31, 2019
Total cash outflow for leases	\$ <u>141,681</u>

1. Real estate leases

As of March 31, 2019, the Group leases land and buildings for its office and solar power station. The leases of office and solar power station typically run for two to twenty-eight years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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

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2. Other leases

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

3. The operating leases rentals payable on December 31, 2018 and March 31, 2018, please refer to Note (6)(n).

(n) Operating Leases

1. Leases entered into as lessee

Non-cancellable operating lease rentals payable were as follows:

	<u>2018.12.31</u>	<u>2018.3.31</u>
Less than a year	\$ 475,164	320,472
Between a year and five years	480,805	414,053
Beyond five years	<u>794,737</u>	<u>538,033</u>
	<u>\$ 1,750,706</u>	<u>1,272,558</u>

(o) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2018 and 2017.

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

	<u>For the three months ended March 31,</u>	<u>2019</u>	<u>2018</u>
Operating expenses	\$	<u>17,110</u>	<u>16,273</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>2019</u>	<u>2018</u>
Operating costs	\$	<u>527</u>	<u>513</u>
Operating expenses		<u>64,314</u>	<u>45,720</u>
Total	\$	<u>64,841</u>	<u>46,233</u>

(p) Income taxes

The components of income tax for the three months March 31, 2019 and 2018 were as follows:

	<u>For the three months ended March 31,</u>	<u>2019</u>	<u>2018</u>
Total income tax expense from continuing operations	\$	<u>1,083,672</u>	<u>1,113,242</u>

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The components of income tax recognized in other comprehensive income were as follows:

	<u>For the three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Components that may be reclassified to profit or loss:		
Foreign currency translation differences for foreign operations	\$ <u>15,127</u>	<u>30,227</u>

(q) Share capital and other equity accounts

Except for the following, there were no significant changes in capital and other equity for the three months ended March 31, 2019 and 2018. Please refer to Note (6)(n) of the 2018 annual, consolidated financial statements for other related information.

1. Share capital

As of March 31, 2019 and 2018, the Company's authorized capital consisted of 1,500,000 thousand shares and issued shares worth \$12,895,146 and \$12,642,300, respectively, with par value of \$10 (NT dollars) per share.

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

Due to the capital needs for investing in subsidiaries and repaying bank loans, the board of directors of the Company resolved to increase the Company's capital by issuing common shares of stock through the offering of 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, 2019, December 31, 2018, and March 31, 2018, the Company has listed, 812,485, 812,485 and 880,981 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.

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

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

2. Capital surplus

The components of capital surplus were as follows:

	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Share capital	\$ 17,363,784	17,363,784	17,363,784
Changes in equity of associates and joint ventures accounted for using equity method	<u>4,012</u>	<u>4,012</u>	<u>4,012</u>
	<u><u>\$ 17,367,796</u></u>	<u><u>17,367,796</u></u>	<u><u>17,367,796</u></u>

3. Retained earnings

According to the Articles of Association, the Company is required to appropriate earnings every accounting year. The after tax earnings are initially used to offset cumulative losses, and then a special reserve 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. Dividends of at least 25% of such remaining amount of which cash dividends shall not be less than 30% of the total amount of dividends.

1) Special reserve

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

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2) Earnings distribution

On March 22, 2019, the Company's board of directors resolved to appropriate the 2018 earnings. On May 24, 2018, the shareholders resolved to distribute the 2017 earnings. These earnings were appropriated as follows:

	2018		2017	
	Dividend per share (\$)	Amount	Dividend per share (\$)	Amount
Dividends distributed to common shareholders				
Cash	\$ 4.20	5,415,961	3.80	4,804,074
Stock	0.30	386,854	0.20	252,846
Total		<u>\$ 5,802,815</u>		<u>5,056,920</u>

The information on prior year's distribution of the Company's earnings can be accessed from the Market Observation Post System on the internet.

(r) Earnings per share

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

	For the three months ended March 31,	
	2019	2018
Profit attributable to common stockholders of the Company	\$ <u>3,578,839</u>	<u>3,033,993</u>
Weighted average number of ordinary shares	<u>1,289,515</u>	<u>1,289,515</u>
Weighted average number of ordinary shares (Diluted)	<u>1,289,535</u>	<u>1,289,532</u>

Note: Potential ordinary shares have no dilutive effects.

(s) Employee and board of directors compensation

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

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

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For the three months ended March 31, 2019 and 2018, the Company estimated its employees' remuneration amounting to \$537 and \$455, and directors' remuneration amounting to \$2,506 and \$2,124, respectively. These estimated amounts were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2019 and 2018. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2019 and 2018.

For 2018 and 2017, the Company recognized employees' remuneration amounting to \$2,010 and \$1,450, and directors' remuneration amounting to \$12,562 and \$8,113, respectively. The amounts, as stated in the condensed interim consolidated financial statements, are identical to those of the actual distributions for 2018 and 2017. Related information would be available at the Market Observation Post System website.

(t) Net other income and expenses

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

	For the three months ended March 31,	
	2019	2018
Net losses on disposal of foreclosed assets	\$ (28,545)	(30,696)
Impairment losses on foreclosed assets	(2,904)	(16,943)
Gains on doubtful debt recoveries	131,873	80,371
	<u>\$ 100,424</u>	<u>32,732</u>

(u) Other gains and losses

The components of other gains and losses were as follows:

	For the three months ended March 31,	
	2019	2018
Interest on lease liabilities	\$ (9,896)	-
Net foreign exchange losses	(4,301)	(23,409)
Net gains on disposal of properly plant, and equipment	87	1,106
Net (losses) gains on valuation of financial assets measured at fair value through profit or loss	5,909	(6,384)
Others	199,849	57,803
	<u>\$ 191,648</u>	<u>29,116</u>

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(v) 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, 2019, December 31, 2018, and March 31, 2018, the maximum exposure to credit risks amounted to \$390,506,582, \$387,834,767 and \$319,326,062, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to \$96,643, \$103,735 and \$114,073 as of March 31, 2019, December 31, 2018, and March 31, 2018, respectively.

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

	<u>Taiwan</u>	<u>China</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
March 31, 2019					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 170,170,451	117,621,039	32,962,292	1,304,562	322,058,344
Lifetime ECL	-	243,023	14,460,615	2,932,048	17,635,686
Past due					
Lifetime ECL	614,167	930	2,701,839	-	3,316,936
Impaired					
Lifetime ECL	<u>5,346,424</u>	<u>2,507,748</u>	<u>2,029,747</u>	<u>-</u>	<u>9,883,919</u>
Gross carrying amounts	<u>\$ 176,131,042</u>	<u>120,372,740</u>	<u>52,154,493</u>	<u>4,236,610</u>	<u>352,894,885</u>
Allowance for losses	<u>3,831,912</u>	<u>4,050,524</u>	<u>1,791,496</u>	<u>219,950</u>	<u>9,893,882</u>
Carrying amount	<u>\$ 172,299,130</u>	<u>116,322,216</u>	<u>50,362,997</u>	<u>4,016,660</u>	<u>343,001,003</u>

Taiwan

	<u>For the three months ended March 31, 2019</u>			
	<u>12-month ECL</u>	<u>Lifetime ECL- not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Balance at January 1, 2019	\$ 1,520,799	46,825	2,207,602	3,775,226
Impairment loss (profit) recognized	850	(1,396)	483,658	483,112
Bad debts written-off	-	-	(427,880)	(427,880)
Others	510	-	944	1,454
Balance at March 31, 2019	<u>\$ 1,522,159</u>	<u>45,429</u>	<u>2,264,324</u>	<u>3,831,912</u>

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China

	For the three months ended March 31, 2019			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2019	\$ 2,366,636	10,518	1,794,930	4,172,084
Impairment loss (profit) recognized	939,135	(35,523)	(677,939)	225,673
Transfer to lifetime ECL-not credit impaired	(115,648)	115,648	-	-
Transfer to lifetime ECL- credit impaired	(806,861)	(82,367)	889,228	-
Bad debts written-off	-	-	(447,194)	(447,194)
Others	57,214	246	42,501	99,961
Balance at March 31, 2019	<u>\$ 2,440,476</u>	<u>8,522</u>	<u>1,601,526</u>	<u>4,050,524</u>

ASEAN

	For the three months ended March 31, 2019			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2019	\$ 188,884	378,709	1,060,757	1,628,350
Impairment loss (profit) recognized	134,386	(6,686)	36,679	164,379
Transfer to lifetime ECL-not credit impaired	(108,159)	108,159	-	-
Transfer to lifetime ECL- credit impaired	(20,288)	(59,815)	80,103	-
Bad debts written-off	-	(787)	(33,567)	(34,354)
Others	4,091	6,806	22,224	33,121
Balance at March 31, 2019	<u>\$ 198,914</u>	<u>426,386</u>	<u>1,166,196</u>	<u>1,791,496</u>

Others

	For the three months ended March 31, 2019			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2019	\$ -	218,295	183	218,478
Impairment loss recognized	-	725	(83)	642
Impairment written-off	-	-	(101)	(101)
Others	-	930	1	931
Balance at March 31, 2019	<u>\$ -</u>	<u>219,950</u>	<u>-</u>	<u>219,950</u>

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	<u>Taiwan</u>	<u>China</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
<u>December 31, 2018</u>					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 180,459,842	111,243,823	31,325,081	1,318,482	324,347,228
Lifetime ECL	-	226,313	13,052,592	2,604,188	15,883,093
Past due					
Lifetime ECL	498,284	27,452	2,397,480	-	2,923,216
Impaired					
Lifetime ECL	<u>5,131,131</u>	<u>2,405,380</u>	<u>1,944,134</u>	<u>73,480</u>	<u>9,554,125</u>
Gross carrying amounts	<u>\$ 186,089,257</u>	<u>113,902,968</u>	<u>48,719,287</u>	<u>3,996,150</u>	<u>352,707,662</u>
Allowance for losses	<u>3,775,226</u>	<u>4,172,084</u>	<u>1,628,350</u>	<u>218,478</u>	<u>9,794,138</u>
Carrying amount	<u>\$ 182,314,031</u>	<u>109,730,884</u>	<u>47,090,937</u>	<u>3,777,672</u>	<u>342,913,524</u>

Taiwan

	<u>For the year ended December 31, 2018</u>			
	<u>12-month ECL</u>	<u>Lifetime ECL- not credit impaired</u>	<u>Lifetime ECL- credit impaired</u>	<u>Total</u>
Balance at January 1, 2018 (Under IAS 39)	\$ 1,538,972	16,831	2,126,704	3,682,507
Adjustment on initial application of IFRS 9	-	7,380	-	7,380
Balance at January 1, 2018 (Under IFRS 9)	1,538,972	24,211	2,126,704	3,689,887
Impairment loss recognized	13,209	23,049	2,270,842	2,307,100
Bad debts written-off	-	-	(2,234,321)	(2,234,321)
Others	<u>(31,382)</u>	<u>(435)</u>	<u>44,377</u>	<u>12,560</u>
Balance at December 31, 2018	<u>\$ 1,520,799</u>	<u>46,825</u>	<u>2,207,602</u>	<u>3,775,226</u>

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China

	For the year ended December 31, 2018			Total
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	
Balance at January 1, 2018 (Under IAS 39)	\$ 1,809,504	-	2,141,375	3,950,879
Adjustment on initial application of IFRS 9	199,765	11,823	-	211,588
Balance at January 1, 2018 (Under IFRS 9)	2,009,269	11,823	2,141,375	4,162,467
Impairment loss recognized	2,784,130	154,854	(1,786,512)	1,152,472
Transfer to lifetime ECL-not credit impaired	(96,229)	96,229	-	-
Transfer to lifetime ECL- credit impaired	(2,282,056)	(252,167)	2,534,223	-
Bad debts written-off	-	-	(1,056,267)	(1,056,267)
Others	(48,478)	(221)	(37,889)	(86,588)
Balance at December 31, 2018	<u>\$ 2,366,636</u>	<u>10,518</u>	<u>1,794,930</u>	<u>4,172,084</u>

ASEAN

	For the year ended December 31, 2018			Total
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	
Balance at January 1, 2018 (Under IAS 39)	\$ -	77,349	1,200,675	1,278,024
Adjustment on initial application of IFRS 9	208,811	248,941	(247,540)	210,212
Balance at January 1, 2018 (Under IFRS 9)	208,811	326,290	953,135	1,488,236
Impairment loss recognized	162,328	15,360	145,764	323,452
Transfer to lifetime ECL-not credit impaired	(102,447)	102,447	-	-
Transfer to lifetime ECL- credit impaired	(87,450)	(71,246)	158,696	-
Bad debts written-off	-	(1,639)	(233,488)	(235,127)
Others	7,642	7,497	36,650	51,789
Balance at December 31, 2018	<u>\$ 188,884</u>	<u>378,709</u>	<u>1,060,757</u>	<u>1,628,350</u>

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Others

	For the year ended December 31, 2018			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2018 (Under IAS 39)	\$ -	203,126	93,554	296,680
Adjustment on initial application of IFRS 9	-	-	-	-
Balance at January 1, 2018 (Under IFRS 9)	-	203,126	93,554	296,680
Impairment loss (profit) recognized	-	(34,074)	2,412	(31,662)
Transfer to lifetime ECL- credit impaired	-	(1,461)	1,461	-
Others	-	50,704	(97,244)	(46,540)
Balance at December 31, 2018	<u>\$ -</u>	<u>218,295</u>	<u>183</u>	<u>218,478</u>

	Taiwan	China	ASEAN	Others	Total
March 31, 2018					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 150,752,911	89,179,775	29,001,463	961,461	269,895,610
Lifetime ECL	18	286,916	8,360,658	3,040,416	11,688,008
Past due					
Lifetime ECL	722,579	-	2,305,758	72,293	3,100,630
Impaired					
Lifetime ECL	5,240,593	2,657,100	1,954,245	283,077	10,135,015
Gross carrying amounts	<u>\$ 156,716,101</u>	<u>92,123,791</u>	<u>41,622,124</u>	<u>4,357,247</u>	<u>294,819,263</u>
Allowance for losses	3,686,956	4,236,686	1,541,265	288,208	9,753,115
Carrying amount	<u>\$ 153,029,145</u>	<u>87,887,105</u>	<u>40,080,859</u>	<u>4,069,039</u>	<u>285,066,148</u>

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Taiwan

	For the three months ended March 31, 2018			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2018 (Under IAS 39)	\$ 1,538,972	16,831	2,126,704	3,682,507
Adjustment on initial application of IFRS 9	-	7,380	-	7,380
Balance at January 1, 2018 (Under IFRS 9)	1,538,972	24,211	2,126,704	3,689,887
Impairment loss recognized	28,519	2,373	485,745	516,637
Bad debts written-off	-	-	(511,652)	(511,652)
Others	(2,693)	-	(5,223)	(7,916)
Balance at March 31, 2018	<u>\$ 1,564,798</u>	<u>26,584</u>	<u>2,095,574</u>	<u>3,686,956</u>

China

	For the three months ended March 31, 2018			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2018 (Under IAS 39)	\$ 1,809,504	-	2,141,375	3,950,879
Adjustment on initial application of IFRS 9	199,765	11,823	-	211,588
Balance at January 1, 2018 (Under IFRS 9)	2,009,269	11,823	2,141,375	4,162,467
Impairment loss recognized	747,534	9,005	(524,071)	232,468
Transfer to lifetime ECL-not credit impaired	(4,011)	4,011	-	-
Transfer to lifetime ECL- credit impaired	(483,221)	(13,668)	496,889	-
Bad debts written-off	-	-	(233,014)	(233,014)
Others	38,278	207	36,280	74,765
Balance at March 31, 2018	<u>\$ 2,307,849</u>	<u>11,378</u>	<u>1,917,459</u>	<u>4,236,686</u>

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ASEAN

	For the three months ended March 31, 2018			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2018 (Under IAS 39)	\$ -	77,349	1,200,675	1,278,024
Adjustment on initial application of IFRS 9	208,811	248,941	(247,540)	210,212
Balance at January 1, 2018 (Under IFRS 9)	208,811	326,290	953,135	1,488,236
Impairment loss recognized	36,815	20,744	2,051	59,610
Transfer to lifetime ECL-not credit impaired	(23,487)	23,487	-	-
Transfer to lifetime ECL- credit impaired	(1,802)	(41,049)	42,851	-
Bad debts written-off	-	-	(33,961)	(33,961)
Others	4,798	1,986	20,596	27,380
Balance at March 31, 2018	<u>\$ 225,135</u>	<u>331,458</u>	<u>984,672</u>	<u>1,541,265</u>

Others

	For the three months ended March 31, 2018			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2018 (Under IAS 39)	\$ -	203,126	93,554	296,680
Adjustment on initial application of IFRS 9	-	-	-	-
Balance at January 1, 2018 (Under IFRS 9)	-	203,126	93,554	296,680
Impairment loss (profit) recognized	-	1,149	(3,178)	(2,029)
Others	-	(4,479)	(1,964)	(6,443)
Balance at March 31, 2018	<u>\$ -</u>	<u>199,796</u>	<u>88,412</u>	<u>288,208</u>

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

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

3) Loans and receivables which were past due or monitored

Loans and receivables that were past due or monitored, includes loans and receivables with renegotiated terms. Loans with renegotiated terms are due to the borrower's deteriorating financial position and where the Group has made concessions that it would not otherwise consider. Such activities include extended payment arrangements, approved external debt management plans, deferring foreclosure, modification, loan rewrites and/or deferral of payments pending a change in circumstances.

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

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

	2019.3.31	2018.12.31	2018.3.31
Past due up to 30 days	\$ 413,543	403,535	1,781,635
Past due from 31 to 90 days	2,602,136	2,320,591	1,088,066
Past due from 91 to 180 days	28,758	23,048	64,278
Past due over 180 days	272,499	176,042	166,651
	\$ 3,316,936	2,923,216	3,100,630

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.

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, 2019								
Non-derivative financial liabilities								
Secured bank loans	\$ 38,491,881	40,488,600	3,016,313	4,359,970	11,320,726	21,791,591	-	-
Unsecured bank loans	161,686,220	166,387,131	28,594,963	24,980,380	36,577,440	75,962,474	271,874	-
Notes payable from securitization	4,093,200	4,285,708	6,638	13,276	59,744	4,206,050	-	-
Short-term notes and bills payable	70,013,938	70,250,602	13,030,000	19,200,000	38,020,602	-	-	-
Bonds payables	20,883,645	21,849,184	154,651	1,954,626	741,877	16,646,590	2,351,440	-
Other payables	10,376,222	10,443,669	6,115,577	515,126	889,668	801,362	-	2,121,936
Deposits relating to collateral of customers	40,047,359	40,091,023	261,767	805,193	6,970,151	31,179,178	16,384	858,350
Lease liabilities	2,272,265	2,554,657	24,523	49,046	220,706	1,633,752	626,630	-
Derivative financial liabilities								
Current financial liabilities for hedging	102,740	102,740	-	-	102,740	-	-	-
	\$ 347,967,470	356,453,314	51,204,432	51,877,617	94,903,654	152,220,997	3,266,328	2,980,286

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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
December 31, 2018								
Non-derivative financial liabilities								
Bank overdraft	\$ 14,436	14,436	-	-	-	-	-	14,436
Secured bank loans	46,471,192	48,215,226	3,902,443	3,744,464	12,956,897	27,611,422	-	-
Unsecured bank loans	146,095,518	150,272,648	27,456,038	21,646,560	37,127,440	63,761,436	281,174	-
Notes payable from securitization	4,093,200	4,305,622	6,638	13,276	59,744	4,225,964	-	-
Short-term notes and bills payable	65,273,584	65,450,000	16,170,000	19,980,000	29,300,000	-	-	-
Bonds payables	21,253,166	22,230,255	5,163	885,102	2,697,582	16,290,968	2,351,440	-
Other payables	10,149,875	10,185,761	5,211,497	1,116,104	1,049,181	683,987	-	2,124,992
Deposits relating to collateral of customers	37,859,884	37,899,043	262,804	600,768	6,349,037	29,872,962	2,972	810,500
Derivative financial liabilities								
Current financial liabilities for hedging	6,022	6,022	-	-	6,022	-	-	-
	<u>\$ 331,216,877</u>	<u>338,579,013</u>	<u>53,014,583</u>	<u>47,986,274</u>	<u>89,545,903</u>	<u>142,446,739</u>	<u>2,635,586</u>	<u>2,949,928</u>
March 31, 2018								
Non-derivative financial liabilities								
Secured bank loans	\$ 41,474,215	43,005,291	3,686,334	7,226,662	11,702,010	20,390,285	-	-
Unsecured bank loans	104,875,273	107,674,198	16,046,460	10,929,899	31,371,329	49,041,927	284,583	-
Notes payable from securitization	5,551,283	5,976,915	385,431	590,772	568,964	4,431,748	-	-
Short-term notes and bills payable	61,953,222	62,080,000	17,700,000	20,680,000	23,700,000	-	-	-
Bonds payables	20,488,180	21,624,741	479,056	643,647	2,165,091	16,365,597	1,971,350	-
Other payables	8,239,122	8,355,921	4,612,336	463,395	785,953	550,805	-	1,943,432
Deposits relating to collateral of customers	32,526,163	32,559,242	252,821	713,836	6,087,550	24,622,443	408	882,184
Derivative financial liabilities								
Current financial liabilities for hedging	263,290	263,290	-	-	263,290	-	-	-
	<u>\$ 275,370,748</u>	<u>281,539,598</u>	<u>43,162,438</u>	<u>41,248,211</u>	<u>76,644,187</u>	<u>115,402,805</u>	<u>2,256,341</u>	<u>2,825,616</u>

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

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3.Currency risks

1) Exposure to currency risks

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

2019.3.31					
		Foreign currency (In thousands)	Exchange rate		Functional currency
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	7,909.83	USD : TWD	30.8200	243,781
		2,331.30	USD : GBP	0.7684	71,851
		5,429.67	USD : VND	25,471	167,343
JPY		1,184,791.42	JPY : USD	0.0090	329,727
EUR		45,903.91	EUR : USD	1.1230	1,588,734
HKD		19,814.17	HKD : USD	0.1274	77,790
GBP		810.53	GBP : USD	1.3014	32,510
AUD		11,964.73	AUD : USD	0.7091	261,489
SGD		7,223.82	SGD : USD	0.7382	164,342
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		1,341.05	USD : TWD	30.8200	41,331
		4,524.71	USD : VND	25,471	139,452
		2,331.30	USD : GBP	0.7684	71,851
JPY		980,016.20	JPY : USD	0.0090	272,739
EUR		41,999.92	EUR : USD	1.1230	1,453,617
HKD		17,999.32	HKD : USD	0.1274	70,665
AUD		12,000.04	AUD : USD	0.7091	262,261
SGD		7,000.03	SGD : USD	0.7382	159,251

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		2018.12.31			
		Foreign currency (In thousands)	Exchange rate		Functional currency
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	21,484.40	USD : TWD	30.7150	659,893
		2,235.31	USD : GBP	0.7900	68,658
		6,172.73	USD : VND	25,596	189,595
JPY		1,072,774.07	JPY : USD	0.0091	298,446
EUR		25,615.23	EUR : USD	1.1460	901,656
HKD		20,840.43	HKD : USD	0.1277	81,715
GBP		837.41	GBP : USD	1.2658	32,559
AUD		12,384.89	AUD : USD	0.7054	268,320
SGD		7,705.41	SGD : USD	0.7319	173,218
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		5,219.40	USD : VND	25,596	160,314
		2,235.31	USD : GBP	0.7900	68,658
JPY		800,224.01	JPY : USD	0.0091	222,622
EUR		21,900.00	EUR : USD	1.1460	770,880
HKD		19,000.37	HKD : USD	0.1277	74,500
AUD		12,500.00	AUD : USD	0.7054	270,814
SGD		7,500.00	SGD : USD	0.7319	168,600

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2018.3.31					
		Foreign currency (In thousands)	Exchange rate		Functional currency
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	44,339.31	USD : TWD	29.1050	1,290,496
		35,255.78	USD : GBP	0.7135	1,025,246
		5,904.79	USD : VND	24,054	171,859
JPY		318,171.15	JPY : USD	0.0094	87,147
EUR		16,744.81	EUR : USD	1.2324	600,636
HKD		28,798.77	HKD : USD	0.1274	106,786
GBP		3,323.39	GBP : USD	1.4015	135,561
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		5,198.62	USD : VND	24,054	151,306
		35,225.78	USD : GBP	0.7135	1,025,246
JPY		199,983.97	JPY : USD	0.0094	54,776
EUR		14,499.95	EUR : USD	1.2324	520,113
HKD		25,999.84	HKD : USD	0.1274	96,407
GBP		3,000.01	GBP : USD	1.4015	122,370

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 \$15,596 and \$117,486, for the three months ended March 31, 2019 and 2018, respectively. The analysis is performed on the same basis for both years.

3) The foreign currency gain or loss on monetary items

Since the Group uses multiple functional currencies, the amounts for foreign currency gain or loss are consolidated for presentation. For the three months ended March 31, 2019 and 2018, the foreign currency loss, including realized and unrealized, amounted to \$4,301 and \$23,409, respectively.

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4. Interest analysis

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

Ending balance as of March 31, 2019	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1-5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.65 %	\$ 19,399,739	16,021,857	1,594,429	-	-	1,783,453
Debt securities	5.70 %	12,492,353	-	6,288,731	6,203,622	-	-
Total accounts receivables	9.49 %	353,051,419	39,178,575	158,369,352	147,299,291	1,820,133	6,384,068
Current financial assets for hedging	0.80 %	3,417	-	3,417	-	-	-
		384,946,928	55,200,432	166,255,929	153,502,913	1,820,133	8,167,521
Financial liabilities							
Secured bank loans	4.73 %	38,491,881	31,314,101	2,327,860	4,741,794	-	108,126
Unsecured bank loans	3.07 %	161,686,220	99,581,917	27,065,573	34,784,147	254,583	-
Short-term notes and bills payable	0.91 %	70,013,938	24,654,915	45,359,023	-	-	-
Bonds payables	1.74 %	20,883,645	-	2,499,268	16,084,377	2,300,000	-
Current financial liabilities for hedging	1.61 %	102,740	-	102,740	-	-	-
Notes payable from securitization	1.95 %	4,093,200	-	-	4,093,200	-	-
Deposits relating to collateral of customers	0.13 %	40,047,359	1,404	3,566,516	7,436,208	12,693	29,030,538
Lease liabilities	1.98 %	2,272,265	-	275,169	1,496,999	500,097	-
		337,591,248	155,552,337	81,196,149	68,636,725	3,067,373	29,138,664
Net exposure		\$ 47,355,680	(100,351,905)	85,059,780	84,866,188	(1,247,240)	(20,971,143)

Ending balance as of December 31, 2018	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	0.57 %	\$ 17,579,967	14,241,135	2,782,382	-	-	556,450
Debt securities	5.71 %	12,270,581	-	5,498,868	6,771,713	-	-
Total accounts receivables	9.63 %	352,865,082	39,425,960	153,838,256	151,357,067	2,510,554	5,733,245
Current financial assets for hedging	1.30 %	94,684	-	94,684	-	-	-
		382,810,314	53,667,095	162,214,190	158,128,780	2,510,554	6,289,695
Financial liabilities							
Secured bank loans	4.60 %	46,471,192	38,411,341	3,040,708	4,999,163	-	19,980
Unsecured bank loans	2.79 %	146,095,518	94,194,682	28,776,701	22,862,052	262,083	-
Bank overdraft	7.13 %	14,436	14,436	-	-	-	-
Short-term notes and bills payable	0.87 %	65,273,584	25,762,687	39,510,897	-	-	-
Bonds payables	1.76 %	21,253,166	-	3,235,702	15,717,464	2,300,000	-
Current financial liabilities for hedging	3.95 %	6,022	-	6,022	-	-	-
Notes payable from securitization	1.95 %	4,093,200	-	-	4,093,200	-	-
Deposits relating to collateral of customers	0.09 %	37,859,884	-	3,247,927	5,960,655	2,932	28,648,370
		321,067,002	158,383,146	77,817,957	53,632,534	2,565,015	28,668,350
Net exposure		\$ 61,743,312	(104,716,051)	84,396,233	104,496,246	(54,461)	(22,378,655)

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Ending balance as of March 31, 2018	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	0.64 %	\$ 17,315,284	13,079,127	3,828,653	-	-	407,504
Debt securities	5.94 %	10,149,586	-	7,172,319	2,977,267	-	-
Total accounts receivables	9.44 %	295,001,889	32,642,034	132,062,522	121,686,319	2,151,318	6,459,696
		322,466,759	45,721,161	143,063,494	124,663,586	2,151,318	6,867,200
Financial liabilities							
Secured bank loans	4.43 %	41,474,215	33,097,711	4,532,472	3,844,032	-	-
Unsecured bank loans	2.13 %	104,875,273	61,195,863	27,556,633	15,838,194	284,583	-
Short-term notes and bills payable	0.81 %	61,953,222	26,971,871	34,981,351	-	-	-
Bonds payables	1.87 %	20,488,180	-	2,923,485	15,664,695	1,900,000	-
Current financial liabilities for hedging	1.57 %	263,290	-	263,290	-	-	-
Notes payable from securitization	1.98 %	5,551,283	-	1,458,083	4,093,200	-	-
Deposits relating to collateral of customers	0.11 %	32,526,163	-	3,089,594	5,151,181	408	24,284,980
		267,131,626	121,265,445	74,804,908	44,591,302	2,184,991	24,284,980
Net exposure		\$ 55,335,133	(75,544,284)	68,258,586	80,072,284	(33,673)	(17,417,780)

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

If the interest rate increases or decreases by 0.25%, the Group's profit will decrease or increase by \$236,966 and \$166,584 for the three months ended March 31, 2019 and 2018, respectively. This analysis assumes that all other variables remain constant.

5. Sensitivity analysis — equity price risk :

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

Equity price at reporting date	For the three months ended March 31,			
	2019		2018	
	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increase 7%	\$ <u>66,034</u>	<u>20,041</u>	<u>73,901</u>	<u>9,794</u>
Decrease 7%	\$ <u>(66,034)</u>	<u>(20,041)</u>	<u>(73,901)</u>	<u>(9,794)</u>

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6. Fair value information

1) The Categories and Fair Values of Financial Instruments

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

	March 31, 2019				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 1,047,346	285,818	-	761,528	1,047,346
Financial assets for hedging	3,417	-	3,417	-	3,417
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	836,552	832,588	3,964	-	836,552
Measure the fair value of unquoted equity instruments	105,887	-	-	105,887	105,887
Sub-total	942,439	832,588	3,964	105,887	942,439
Financial assets at amortized cost	12,430,713	-	-	-	-
Loans and receivable					
Cash and cash equivalents	19,399,739	-	-	-	-
Accounts receivable	343,097,646	-	-	-	-
Other financial assets	1,875,401	-	-	-	-
Refundable deposits	297,577	-	-	-	-
Restricted bank deposits	3,100,847	-	-	-	-
Sub-total	367,771,210	-	-	-	-
Total	\$ 382,195,125	1,118,406	7,381	867,415	1,993,202

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March 31, 2019					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial liabilities for hedging	\$ 102,740	-	102,740	-	102,740
Measurement of financial liabilities at amortized cost					
Secured bank loans	38,491,881	-	-	-	-
Unsecured bank loans	161,686,220	-	-	-	-
Notes payable from securitization	4,093,200	-	-	-	-
Short-term notes and bills payable	70,013,938	-	-	-	-
Bonds payables	20,883,645	-	-	-	-
Other payables	10,376,222	-	-	-	-
Deposits relating to collateral of customers	40,047,359	-	-	-	-
Lease liabilities	2,272,265	-	-	-	-
Sub-total	347,864,730	-	-	-	-
Total	\$ 347,967,470	-	102,740	-	102,740
December 31, 2018					
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 1,005,642	255,306	-	750,336	1,005,642
Financial assets for hedging	94,684	-	94,684	-	94,684
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	841,714	838,348	3,366	-	841,714
Measure the fair value of unquoted equity instruments	105,466	-	-	105,466	105,466
Sub-total	947,180	838,348	3,366	105,466	947,180

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		December 31, 2018			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost	<u>12,270,581</u>	-	-	-	-
Loans and receivable					
Cash and cash equivalents	17,579,967	-	-	-	-
Accounts receivable	343,017,259	-	-	-	-
Other financial assets	1,748,727	-	-	-	-
Refundable deposits	339,300	-	-	-	-
Restricted bank deposits	<u>2,966,885</u>	-	-	-	-
Sub-total	<u>365,652,138</u>	-	-	-	-
Total	<u>\$ 379,970,225</u>	<u>1,093,654</u>	<u>98,050</u>	<u>855,802</u>	<u>2,047,506</u>
Financial liabilities for hedging	<u>\$ 6,022</u>	-	6,022	-	6,022
Measurement of financial liabilities at amortized cost					
Bank overdraft	14,436	-	-	-	-
Secured bank loans	46,471,192	-	-	-	-
Unsecured bank loans	146,095,518	-	-	-	-
Notes payable from securitization	4,093,200	-	-	-	-
Short-term notes and bills payable	65,273,584	-	-	-	-
Bonds payables	21,253,166	-	-	-	-
Other payables	10,149,875	-	-	-	-
Deposits relating to collateral of customers	<u>37,859,884</u>	-	-	-	-
Sub-total	<u>331,210,855</u>	-	-	-	-
Total	<u>\$ 331,216,877</u>	-	<u>6,022</u>	-	<u>6,022</u>
		March 31, 2018			
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	<u>\$ 1,001,200</u>	<u>139,915</u>	-	<u>861,285</u>	<u>1,001,200</u>
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	950,631	947,774	2,857	-	950,631
Measure the fair value of unquoted equity instruments	<u>104,231</u>	-	-	<u>104,231</u>	<u>104,231</u>
Sub-total	<u>1,054,862</u>	<u>947,774</u>	<u>2,857</u>	<u>104,231</u>	<u>1,054,862</u>

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	March 31, 2018				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at amortized cost	10,149,586	-	-	-	-
Loans and receivable					
Cash and cash equivalents	17,315,284	-	-	-	-
Accounts receivable	285,180,221	-	-	-	-
Other financial assets	1,403,921	-	-	-	-
Refundable deposits	449,047	-	-	-	-
Restricted bank deposits	2,464,559	-	-	-	-
Sub-total	306,813,032	-	-	-	-
Total	\$ 319,018,680	1,087,689	2,857	965,516	2,056,062
Current financial liabilities for hedging	\$ 263,290	-	263,290	-	263,290
Measurement of financial liabilities at amortized cost					
Secured bank loans	41,474,215	-	-	-	-
Unsecured bank loans	104,875,273	-	-	-	-
Short-term notes and bills payable	61,953,222	-	-	-	-
Notes payable from securitization	5,551,283	-	-	-	-
Bond payables	20,488,180	-	-	-	-
Other payables	8,239,122	-	-	-	-
Deposits relating to collateral of customers	32,526,163	-	-	-	-
Sub-total	275,107,458	-	-	-	-
Total	\$ 275,370,748	-	263,290	-	263,290

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

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

A. Financial assets at amortized cost

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

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

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

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3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative Financial Instruments

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

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

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

B. Derivative Financial Instruments

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

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

	At fair value through profit or loss	At fair value through others comprehensive income	
	Non-derivative financial assets	Unquoted equity instruments	Total
Opening balance, January 1, 2019	\$ 750,336	105,466	855,802
Total gains and losses recognized:			
In other comprehensive income	-	156	156
Purchase	61,644	-	61,644
Disposal / Liquidate	(53,015)	-	(53,015)
Effect of movements in exchange rate	2,563	265	2,828
Ending balance, March 31, 2019	<u>\$ 761,528</u>	<u>105,887</u>	<u>867,415</u>
Opening balance, January 1, 2018	\$ 595	94,577	95,172
Total gains and losses recognized:			
In profit or loss	322	-	322
In other comprehensive income	-	292	292
Reclassification	866,088	-	866,088
Purchase	-	9,554	9,554
Effect of movements in exchange rate	(5,720)	(192)	(5,912)
Ending balance, March 31, 2018	<u>\$ 861,285</u>	<u>104,231</u>	<u>965,516</u>

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For the three months ended March 31, 2019 and 2018, total gains and losses arising from the valuation of investments under Level 3 of the fair value hierarchy that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive” were as follows:

	For the three months ended March 31,	
	2019	2018
Total gains and losses recognized :		
In profit or loss, and presented in “other gains and losses”	\$ -	322
In other comprehensive income, and presented in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	156	292

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

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

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 at fair value through other comprehensive income - investments in debt instruments without active market	Net Asset Value Method	Net Asset Value	Not applicable

(w) 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, 2018.

(x) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2018. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2018. Please refer to Note (6)(w) of the consolidated financial statements for the year ended December 31, 2018 for further details.

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(7) Related Party Transactions

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

(b) Names and relationship of related parties

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

Name of related parties	Relationship with the Group
Chung Hung Corp.	Affiliate
DMC Energy Management Services (Shenzhen) Co., Ltd.	"
C&E Engine Leasing Limited	"
CL Investment Partners Company Limited	"
Diamond Rain Group Limited	"
Grand Pacific Investment & Development Co., Ltd.	Other related party
Chailease Construction & Development Corp.	"
Chaico Investment Corporation	"
Yellowstone Security Co., Ltd.	"
Yellowstone Service Co., Ltd.	"
Chailease Resources Technology Co., Ltd.	"
CITC Enterprise (Thai) Co., Ltd.	"
Chailease Business Co., Ltd.	"
Bosser Design Engineering Co., Ltd.	"
Global Hospitality Group Inc.	"
Global Property Management Co., Ltd.	"
Chailease Youngster Foundation	"
Advance Rental Care Co., Ltd.	"
Qin An Investment Consulting (Shanghai) Co., Ltd.	"
Shanghai Jiasheng Decoration Engineering Co., Ltd.	"
Chailease Resources Trading (Shanghai) Corporation	"
Yujia Investment Management Consulting (Shanghai) Co., Ltd.	"
Bangkok Bank Public Company Limited	"
Bangkok Granden Property Fund	"
Bangkok Insurance Public Company Limited	"

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Name of related parties	Relationship with the Group
Enrich Management Consultants Ltd.	Other related party
Grand Pacific Finance Corp. (N.Y.)	"
Sathorn City Tower Property Fund	"
Chailease Enterprise Co., Ltd.	"
Chun An Investment Co., Ltd.	"
Chun An Technology Co., Ltd.	"
Li Cheng Investment Co., Ltd.	"
Jen Chung Co., Ltd.	"
Ezfund Securities Investment Consulting Enterprise Ltd.	"

(c) Related-party transactions

1. Operating revenue

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

	For the three months ended March 31,	
	2019	2018
Other related parties	\$ 3,384	3,680

2. Receivables from related parties

Receivables of the Group from related parties were as follows :

Account	Categories of related parties	2019.3.31	2018.12.31	2018.3.31
Capital leases receivable	Other related parties \$	56,837	71,519	80
Accounts receivable	Other related parties	-	-	25,355
Other receivables	Affiliates	14,422	-	-
Other receivables	Other related parties	1,370	1,277	650
Other non-current financial assets	Other related parties	974	-	-
		\$ 73,603	72,796	26,085

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3. Payable to related parties

Payable to related parties were as follows :

Account	Categories of related parties	2019.3.31	2018.12.31	2018.3.31
Other current financial liabilities	Other related parties	\$ <u>2,274</u>	<u>158</u>	<u>585</u>

4. Asset transactions

The Group purchased leasehold improvement from other related parties amounting to \$23,869 for the year ended December 31, 2018. The Group purchased leasehold improvements from other related parties of \$16,517 for the three months ended March 31, 2019.

5. Related-Party Financing

Financing to affiliates and related parties was as follows :

	2019.3.31	2018.12.31	2018.3.31
Affiliates	\$ 1,304,562	1,318,483	961,462
Other related parties	<u>26,476</u>	<u>11,825</u>	<u>10,186</u>
	<u>\$ 1,331,038</u>	<u>1,330,308</u>	<u>971,648</u>

The loans receivable from affiliates bear interest at rates ranging from 4.41% to 5.65%. As of March 31, 2019, December 31, 2018, and March 31, 2018, interest receivable from the loans receivable from affiliates amounted to \$9,965, \$10,230 and \$7,334, respectively. For the three months ended March 31, 2019 and 2018, interest revenue from the loans receivable from affiliates amounted to \$16,288 and \$10,794, respectively.

The loans receivable from other related parties bear interest at rates ranging from 3.95% to 5.76%. As of March 31, 2019, December 31, 2018, and March 31, 2018, interest receivable from the loans receivable from other related parties amounted to \$138, \$104 and \$70, respectively. For the three months ended March 31, 2019 and 2018, interest revenue from the loans receivable from other related parties amounted to \$153 and \$1,146, respectively.

6. Interest bearing borrowings

Borrowings of the Group from related parties were as follows :

	2019.3.31	2018.12.31	2018.3.31
Other related parties	\$ <u>3,701,200</u>	<u>4,603,976</u>	<u>2,627,520</u>

The borrowings from other related parties bear interest at rates ranging from 3.05% to 3.25%. As of March 31, 2019, December 31, 2018, and March 31, 2018, interest payable from the interest bearing borrowings from other related parties amounted to \$320, \$2,255 and \$237, respectively. For three months ended March 31, 2019 and 2018, interest expense from the interest bearing borrowing from other related parties amounted to \$28,925 and \$21,082, respectively.

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7. Guarantee

As of March 31, 2019, December 31, 2018, and March 31, 2018, the Group had provided a guarantee for loans taken out by affiliates and the credit limit of the guarantee was \$103,050, \$100,620 and \$104,558, and the actual drawn amount was \$13,603, \$14,128 and \$8,383, respectively.

8. Leases

In November 2017, the Group rented an office building from other related parties. A four and half years lease contract was signed, in which the rental fee was determined based on nearby office rental rates. The total value of the contract was \$80,141. Rental expenses for the three months ended March 31, 2018 amounted to \$7,057. The Group applied IFRS 16, with a date of initial application on January 1, 2019. This lease transaction recognized an additional amount of \$49,011 and \$49,011 of right-of-use assets and lease liabilities, respectively. For the three months ended March 31, 2019, the Group recognized the amount of \$337 as interest expense. As of March 31, 2019, the balance of lease liabilities amounted to \$42,189.

9. Others

1) As of March 31, 2019, December 31, 2018, and March 31, 2018 bank deposits in financial institutions which are other related parties of the Group amounted to \$318,402, \$196,087 and \$191,041, respectively.

2) Other expense with related parties :

<u>Other related parties</u>	<u>For the three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Rent expense	\$ 1,176	7,651
Other operating costs and expenses	20,925	14,626
	<u>\$ 22,101</u>	<u>22,277</u>

(d) Key management personnel compensation

	<u>For the three months ended March 31,</u>	
	<u>2019</u>	<u>2018</u>
Short-term employee benefits	\$ 81,635	70,607
Post-employment benefits	576	679
	<u>\$ 82,211</u>	<u>71,286</u>

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(8) Pledged Assets

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>2019.3.31</u>	<u>2018.12.31</u>	<u>2018.3.31</u>
Restricted cash in banks				
Restricted account for loans repayment	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings(Note)	\$ 3,086,744	2,938,269	2,463,621
Property, plant and equipment	As guarantee for short-term and long-term borrowings	2,258,154	2,240,524	2,322,253
Equity securities	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	1,246	1,255	1,320
Refundable deposits	Provincial court seizure etc.	52,375	98,730	137,742
Accounts receivable and notes receivable	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	116,300,448	110,791,429	90,852,066
Total		<u>\$ 121,698,967</u>	<u>116,070,207</u>	<u>95,777,002</u>

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, 2019, December 31, 2018, and March 31, 2018, the balance of unexpired payments from these alliance transactions amounted to \$8,013,992, \$7,898,635 and \$7,270,063, respectively.
- (b) The Group entered into several electricity procurement agreements with Taiwan Power Company and all of these agreements will expire on twenty years after the date the electricity generating sets are launched. Under these agreements, reselling to third parties of electric power from the renewable energy system is prohibited.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

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(12) Other

(a) Liquidity analysis of assets and liabilities :

	2019.3.31		
	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	\$ 19,399,739	-	19,399,739
Current financial assets at fair value through profit or loss	985,706	-	985,706
Current financial assets at amortized cost	6,288,731	3,573,627	9,862,358
Current financial assets for hedging	3,417	-	3,417
Accounts receivable, net	181,456,714	93,656,114	275,112,828
Inventories	22,194	-	22,194
Other current financial assets	4,553,079	98,148	4,651,227
Other current assets – others	5,343,158	-	5,343,158
	<u>\$ 218,052,738</u>	<u>97,327,889</u>	<u>315,380,627</u>
<u>Current liabilities</u>			
Short-term borrowings	\$ 53,368,574	-	53,368,574
Short-term notes and bills payable	70,013,938	-	70,013,938
Current financial liabilities for hedging	102,740	-	102,740
Accounts payable	5,187,783	1,476	5,189,259
Current tax liabilities	2,662,567	-	2,662,567
Current lease liabilities	275,169	150,122	425,291
Other current financial liabilities	14,904,769	22,619,240	37,524,009
Long-term liabilities, current portion	56,502,741	57,171,554	113,674,295
Other current liabilities – others	135,410	1,733,371	1,868,781
	<u>\$ 203,153,691</u>	<u>81,675,763</u>	<u>284,829,454</u>

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

	2018.12.31		
	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	\$ 17,579,967	-	17,579,967
Current financial assets at fair value through profit or loss	1,005,642	-	1,005,642
Current financial assets at amortized cost	5,498,868	4,713,129	10,211,997
Current financial assets for hedging	94,684	-	94,684
Accounts receivable, net	161,502,654	102,730,923	264,233,577
Other current financial assets	4,287,961	66,955	4,354,916
Other current assets – others	5,062,848	-	5,062,848
	<u>\$ 195,032,624</u>	<u>107,511,007</u>	<u>302,543,631</u>
Current liabilities			
Short-term borrowings	\$ 54,056,709	-	54,056,709
Short-term notes and bills payable	65,273,584	-	65,273,584
Current financial liability for hedging	6,022	-	6,022
Accounts payable	4,312,164	1,400	4,313,564
Current tax liabilities	1,845,873	-	1,845,873
Other current financial liabilities	13,476,577	24,026,245	37,502,822
Long-term liabilities, current portion	53,184,182	55,240,337	108,424,519
Other current liabilities – others	1,369,584	20,464	1,390,048
	<u>\$ 193,524,695</u>	<u>79,288,446</u>	<u>272,813,141</u>

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	2018.3.31		
	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	\$ 17,315,284	-	17,315,284
Current financial assets at fair value through profit or loss	1,001,200	-	1,001,200
Current financial assets at amortized cost	7,172,319	1,668,377	8,840,696
Accounts receivable, net	145,822,788	79,008,246	224,831,034
Inventories	47,461	-	47,461
Other current financial assets	3,679,010	67,800	3,746,810
Other current assets – others	5,576,748	-	5,576,748
	<u>\$ 180,614,810</u>	<u>80,744,423</u>	<u>261,359,233</u>
<u>Current liabilities</u>			
Short-term borrowings	\$ 36,991,542	-	36,991,542
Short-term notes and bills payable	61,953,222	-	61,953,222
Current financial liability for hedging	263,290	-	263,290
Accounts payable	4,212,009	5,638	4,217,647
Current tax liabilities	2,542,672	-	2,542,672
Other current financial liabilities	5,459,737	25,707,405	31,167,142
Long-term liabilities, current portion	51,383,548	33,511,528	84,895,076
Other current liabilities – others	1,040,446	10	1,040,456
	<u>\$ 163,846,466</u>	<u>59,224,581</u>	<u>223,071,047</u>

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

By item	By function	For the three months ended March 31, 2019			For the three months ended March 31, 2018		
		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		14,314	1,467,681	1,481,995	15,465	1,204,185	1,219,650
Labor and health insurance		1,111	101,032	102,143	1,096	84,581	85,677
Pension		527	81,424	81,951	513	61,993	62,506
Others		-	98,277	98,277	-	83,718	83,718
Depreciation		734,118	133,277	867,395	511,464	30,613	542,077
Amortization		-	39,753	39,753	-	36,081	36,081

(13) Other disclosures

(a) Information on significant transactions

The information on significant transactions of the Group, which is required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers”, for the three months ended March 31, 2019 was as follows :

1. Fund loaning to other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
1	Chalease Finance Co., Ltd.	A	Other receivables	No	218,382	218,382	218,382	0.03%-19.95%	2	-	Working Capital	2,642	None	-	3,174,313	50,789,014
-	-	B	-	No	80,333	80,333	80,333	0.03%-19.95%	1	549,750	-	9,809	None	-	3,174,313	50,789,014
-	-	B-1	-	No	103,684	103,684	103,684	0.03%-19.95%	2	-	Working Capital	-	None	-	3,174,313	50,789,014
-	-	C	-	No	180,719	180,719	180,719	0.03%-19.95%	2	-	Working Capital	2,187	None	-	3,174,313	50,789,014
-	-	D	-	No	20,000	19,480	19,480	0.03%-19.95%	1	30,000	-	236	Properties	9,267	3,174,313	50,789,014
-	-	D-1	-	No	189,300	154,317	154,317	0.03%-19.95%	2	-	Working Capital	1,867	None	-	3,174,313	50,789,014
-	-	E	-	No	133,065	129,632	129,632	0.03%-19.95%	1	255,212	-	1,569	None	-	3,174,313	50,789,014
-	-	F	-	No	30,139	30,139	30,139	0.03%-19.95%	1	30,139	-	365	None	-	3,174,313	50,789,014
-	-	F-1	-	No	90,260	74,051	74,051	0.03%-19.95%	2	-	Working Capital	896	None	-	3,174,313	50,789,014
-	-	G	-	No	90,000	90,000	90,000	0.03%-19.95%	2	-	Working Capital	1,089	None	-	3,174,313	50,789,014
-	-	H	-	No	95,000	79,000	54,000	0.03%-19.95%	1	243,000	-	653	None	-	3,174,313	50,789,014
-	-	I	-	No	74,410	74,410	74,410	0.03%-19.95%	2	-	Working Capital	900	None	-	3,174,313	50,789,014
-	-	J	-	No	80,822	73,421	73,421	0.03%-19.95%	1	99,556	-	888	None	-	3,174,313	50,789,014
-	-	K	-	No	72,300	72,300	72,300	0.03%-19.95%	2	-	Working Capital	875	None	-	3,174,313	50,789,014
-	-	L	-	No	89,581	69,567	69,567	0.03%-19.95%	2	-	Working Capital	842	None	-	3,174,313	50,789,014
-	-	M	-	No	76,573	67,746	67,746	0.03%-19.95%	1	158,443	-	820	None	-	3,174,313	50,789,014
-	-	N	-	No	65,000	65,000	65,000	0.03%-19.95%	2	-	Working Capital	787	None	-	3,174,313	50,789,014
-	-	O	-	No	81,289	63,697	63,697	0.03%-19.95%	1	370,827	-	771	None	-	3,174,313	50,789,014
-	-	P	-	No	99,618	62,537	62,537	0.03%-19.95%	2	-	Working Capital	757	None	-	3,174,313	50,789,014
-	-	Q	-	No	60,000	60,000	60,000	0.03%-19.95%	2	-	Working Capital	726	None	-	3,174,313	50,789,014
-	-	R	-	No	71,505	59,466	59,466	0.03%-19.95%	1	103,495	-	720	None	-	3,174,313	50,789,014
-	-	S	-	No	60,000	59,350	59,350	0.03%-19.95%	1	110,000	-	718	None	-	3,174,313	50,789,014
-	-	T	-	No	63,372	57,442	57,442	0.03%-19.95%	2	-	Working Capital	695	None	-	3,174,313	50,789,014
-	-	Summary of other clients	-	No	7,661,135	6,126,017	5,949,517	0.03%-19.95%	1	26,522,263	-	71,989	Bank Deposits/Stocks/Properties	281,841	3,174,313	50,789,014

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
1	Chailease Finance Co., Ltd.	Summary of other clients	Other receivables	No	12,411,244	9,545,247	9,528,247	0.03%-19.93%	2	-	Working Capital	271,168	Bank Deposits/Stocks/Beneficiary certificate/Equipment/Properties	1,330,469	3,174,313	50,789,014
2	Fina Finance & Trading Co., Ltd.	A	"	No	230,000	230,000	230,000	1.5747%-19.7800%	2	-	Working Capital	2,300	Properties	193,049	1,279,622	20,473,955
"	"	B	"	No	93,707	66,836	66,836	1.5747%-19.7800%	2	-	Working Capital	669	None	-	1,279,622	20,473,955
"	"	B-1	"	No	26,792	26,780	26,780	1.5747%-19.7800%	1	19,400	-	268	None	-	1,279,622	20,473,955
"	"	C	"	No	70,856	70,856	-	1.5747%-19.7800%	1	35,028	-	-	None	-	1,279,622	20,473,955
"	"	D	"	No	65,471	64,892	64,892	1.5747%-19.7800%	2	-	Working Capital	649	Properties	82,838	1,279,622	20,473,955
"	"	E	"	No	43,000	42,974	42,974	1.5747%-19.7800%	2	-	Working Capital	430	Properties	17,934	1,279,622	20,473,955
"	"	E-1	"	No	38,004	17,185	11,985	1.5747%-19.7800%	1	17,000	-	120	Properties	17,934	1,279,622	20,473,955
"	"	F	"	No	59,169	58,263	58,263	1.5747%-19.7800%	2	-	Working Capital	583	Properties	39,331	1,279,622	20,473,955
"	"	G	"	No	57,969	57,919	57,919	1.5747%-19.7800%	2	-	Working Capital	579	Properties	63,994	1,279,622	20,473,955
"	"	H	"	No	72,001	55,632	55,632	1.5747%-19.7800%	2	-	Working Capital	557	None	-	1,279,622	20,473,955
"	"	I	"	No	45,145	45,145	45,145	1.5747%-19.7800%	2	-	Working Capital	451	Properties	40,228	1,279,622	20,473,955
"	"	J	"	No	45,000	45,000	45,000	1.5747%-19.7800%	2	-	Working Capital	450	Properties	36,687	1,279,622	20,473,955
"	"	Summary of other clients	"	No	4,772,122	3,842,522	3,839,522	1.5747%-19.7800%	2	-	Working Capital	73,000	Bank Deposits/Stocks/Properties/Vehicles/Equipment	867,564	1,279,622	20,473,955
"	"	"	"	No	1,597,661	1,287,960	1,221,660	1.5747%-19.7800%	1	2,334,221	-	37,419	Properties/Vehicles/Ships	532,314	1,279,622	20,473,955
3	Chailease Consumer Finance Co., Ltd.	A	"	No	4,000	3,044	3,044	4%-19%	2	-	Working Capital	11	None	-	374,961	3,749,610
"	"	B	"	No	1,000	1,800	-	4%-19%	1	1,400	-	-	None	-	374,961	3,749,610
"	"	C	"	No	1,000	765	765	4%-19%	2	-	Working Capital	3	None	-	374,961	3,749,610
"	"	D	"	No	800	612	612	4%-19%	2	-	Working Capital	2	None	-	374,961	3,749,610
"	"	E	"	No	500	500	500	4%-19%	2	-	Working Capital	2	None	-	374,961	3,749,610
"	"	F	"	No	556	459	459	4%-19%	2	-	Working Capital	2	None	-	374,961	3,749,610
"	"	G	"	No	355	355	355	4%-19%	2	-	Working Capital	11	None	-	374,961	3,749,610
"	"	H	"	No	340	294	294	4%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	I	"	No	272	234	234	4%-19%	2	-	Working Capital	7	None	-	374,961	3,749,610
"	"	J	"	No	300	229	229	4%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	Summary of other clients	"	No	444	156	156	4%-19%	1	14,810	-	-	None	-	374,961	3,749,610
"	"	"	"	No	1,961	1,299	1,299	4%-19%	2	-	Working Capital	14	None	-	374,961	3,749,610
4	Chailease International Finance Corporation	Chailease International Corp.	Receivables from related party	Yes	2,748,000	2,748,000	-	4.35%-19.97%	2	-	Working Capital	-	None	-	5,847,825	9,356,520
"	"	Chailease Finance International Corp.	"	Yes	1,374,000	1,374,000	-	4.35%-19.97%	2	-	Working Capital	-	None	-	5,847,825	9,356,520
"	"	A	Receivable-short term financing	No	27,480	27,480	27,480	4.35%-19.97%	2	-	Working Capital	-	None	-	1,169,565	9,356,520
"	"	B	"	No	20,610	20,610	20,610	4.35%-19.97%	2	-	Working Capital	-	None	-	1,169,565	9,356,520
"	"	C	"	No	18,320	18,320	-	4.35%-19.97%	2	-	Working Capital	-	None	-	1,169,565	9,356,520
"	"	D	"	No	18,320	18,320	-	4.35%-19.97%	2	-	Working Capital	-	None	-	1,169,565	9,356,520
"	"	E	"	No	18,893	16,793	16,793	4.35%-19.97%	2	-	Working Capital	396	None	-	1,169,565	9,356,520
"	"	F	"	No	19,083	16,221	16,221	4.35%-19.97%	2	-	Working Capital	391	None	-	1,169,565	9,356,520

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													Item	Value		
4	Chailease International Finance Corporation	G	Receivable-short term financing	No	16,284	14,758	14,758	4.35%-19.97%	2	-	Working Capital	333	None	-	1,169,565	9,356,520
"	"	H	"	No	16,284	14,757	14,757	4.35%-19.97%	2	-	Working Capital	221	None	-	1,169,565	9,356,520
"	"	I	"	No	15,775	14,249	14,249	4.35%-19.97%	2	-	Working Capital	363	None	-	1,169,565	9,356,520
"	"	J	"	No	13,955	13,955	13,955	4.35%-19.97%	2	-	Working Capital	13,257	Real estate	787	1,169,565	9,356,520
"	"	Summary of other clients	Receivable-short term financing	No	640,325	529,777	483,977	4.35%-19.97%	2	-	Working Capital	34,479	Vehicles/Real estate/Equipment/Properties/Inventory	249,111	1,169,565	9,356,520
"	"	"	Receivables-business relationship	No	16,862	12,347	12,347	4.35%-19.97%	1	56,426	-	316	None	-	1,169,565	9,356,520
5	Chailease Specialty Finance Co., Ltd.	A	Other receivables	No	254,796	254,000	175,100	0.98%-14.88%	2	-	Working Capital	2,136	None	-	3,174,313	5,318,151
"	"	B	"	No	131,230	131,230	131,230	0.98%-14.88%	2	-	Working Capital	1,601	None	-	3,174,313	5,318,151
"	"	C	"	No	94,990	94,990	94,990	0.98%-14.88%	2	-	Working Capital	1,159	None	-	3,174,313	5,318,151
"	"	D	"	No	184,150	91,000	92,000	0.98%-14.88%	2	-	Working Capital	1,122	None	-	3,174,313	5,318,151
"	"	E	"	No	80,000	80,000	80,000	0.98%-14.88%	2	-	Working Capital	976	None	-	3,174,313	5,318,151
"	"	F	"	No	60,000	60,000	60,000	0.98%-14.88%	2	-	Working Capital	732	None	-	3,174,313	5,318,151
"	"	G	"	No	60,000	60,000	60,000	0.98%-14.88%	2	-	Working Capital	732	None	-	3,174,313	5,318,151
"	"	H	"	No	59,000	59,000	59,000	0.98%-14.88%	2	-	Working Capital	720	None	-	3,174,313	5,318,151
"	"	I	"	No	63,000	57,750	57,750	0.98%-14.88%	2	-	Working Capital	705	None	-	3,174,313	5,318,151
"	"	J	"	No	55,000	52,450	52,450	0.98%-14.88%	2	-	Working Capital	640	None	-	3,174,313	5,318,151
"	"	Summary of other clients	"	No	1,182,083	852,742	830,442	0.98%-14.88%	2	-	Working Capital	20,051	Properties	39,124	3,174,313	5,318,151
6	Chailease Finance Securitization Trust 2016	A	"	No	28,207	22,353	22,353	4.01%-15.90%	1	69,412	-	179	Bank Deposits	37,600	49,738	880,589
"	"	B	"	No	18,182	16,311	16,311	4.01%-15.90%	1	50,000	-	130	None	-	49,738	880,589
"	"	C	"	No	14,619	11,428	11,428	4.01%-15.90%	2	-	Working Capital	91	Bank Deposits	2,780	49,738	880,589
"	"	D	"	No	13,851	10,720	10,720	4.01%-15.90%	2	-	Working Capital	86	None	-	49,738	880,589
"	"	E	"	No	12,629	10,053	10,053	4.01%-15.90%	2	-	Working Capital	80	Bank Deposits	3,000	49,738	880,589
"	"	F	"	No	9,883	9,525	9,525	4.01%-15.90%	1	12,000	-	76	None	-	49,738	880,589
"	"	G	"	No	11,565	9,082	9,082	4.01%-15.90%	2	-	Working Capital	73	Bank Deposits	18,000	49,738	880,589
"	"	H	"	No	11,401	8,684	8,684	4.01%-15.90%	2	-	Working Capital	69	Bank Deposits	5,000	49,738	880,589
"	"	I	"	No	9,268	8,152	8,152	4.01%-15.90%	1	100,000	-	65	Bank Deposits	2,000	49,738	880,589
"	"	J	"	No	9,336	7,392	7,392	4.01%-15.90%	2	-	Working Capital	59	Bank Deposits	3,000	49,738	880,589
"	"	Summary of other clients	"	No	367,250	251,034	251,034	4.01%-15.90%	2	-	Working Capital	3,040	Bank Deposits	99,110	49,738	880,589
"	"	"	"	No	19,361	14,710	14,710	4.01%-15.90%	1	142,425	-	118	Bank Deposits	12,360	49,738	880,589
7	Chailease International Corp.	Chailease International Finance Corporation	Receivables from related party	Yes	458,000	458,000	-	4.35%	2	-	Working Capital	-	None	-	946,535	1,514,488
8	Chailease Finance International Corp.	"	"	Yes	458,000	458,000	-	4.35%	2	-	Working Capital	-	None	-	973,575	1,557,721

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

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

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

(1) Subsidiary— The maximum fund loaning provided by Chailease Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$3,174,313).

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- (2)Subsidiary— The maximum fund loaning provided by Fina Finance & Trading Co., Ltd. for individual entity cannot exceed 10% of net worth (\$1,279,622).
- (3)Subsidiary— The maximum fund loaning provided by Chailease Consumer Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$374,961).
- (4)Subsidiary— The maximum fund loaning provided by Chailease International Finance Corporation for individual entity cannot exceed 5% of net worth (\$1,169,565). The maximum fund loaning cannot exceed 25% of net worth (\$5,847,825) to individual affiliate.
- (5)Subsidiary— The maximum fund loaning provided by Chailease Specialty Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$3,174,313) of parent company (Chailease Finance Co., Ltd.).
- (6)Special purpose entities— The maximum fund loaning provided by Chailease Finance Securitization Trust 2016 for individual entity cannot exceed 1% of securitized financial assets approved by the competent authority (\$49,738).
- (7)Subsidiary— The maximum fund loaning provided by Chailease International Corp. for individual entity cannot exceed 5% of net worth (\$189,311). The maximum fund loaning cannot exceed 25% of net worth (\$946,555) to individual affiliate.
- (8)Subsidiary— The maximum fund loaning provided by Chailease Finance International Corp. for individual entity cannot exceed 5% of net worth (\$194,715). The maximum fund loaning cannot exceed 25% of net worth (\$973,575) to individual affiliate.

Note 3: Limit on the amount for loaning fund

- (1)Subsidiary— Total amount of fund loaning provided by Chailease Finance Co., Ltd. cannot exceed 160% of net worth (\$50,789,014), total amount of fund loaning for short-term financing cannot exceed net worth (\$31,743,134) of the most recent financial statement.
- (2)Subsidiary— Total amount of fund loaning provided by Fina Finance & Trading Co., Ltd. cannot exceed 160% of net worth (\$20,473,955), total amount of fund loaning for short-term financing cannot exceed net worth (\$12,796,223) of the most recent financial statement.
- (3)Subsidiary— Total amount of fund loaning provided by Chailease Consumer Finance Co., Ltd. cannot exceed net worth (\$3,749,610), total amount of fund loaning for short-term financing cannot exceed 40% of net worth (\$1,499,844) of the most recent financial statement.
- (4)Subsidiary— Total amount of fund loaning provided by Chailease International Finance Corporation cannot exceed 40% of net worth (\$9,356,520) of the most recent financial statement.
- (5)Subsidiary— Total amount of fund loaning provided by Chailease Specialty Finance Co., Ltd. cannot exceed net worth (\$5,318,151), total amount of fund loaning for short-term financing cannot exceed 40% of net worth (\$2,127,260) of the most recent financial statement.
- (6)Special purpose entities— Total amount of fund loaning provided by Chailease Finance Securitization Trust 2016 cannot exceed 10% of securitized financial assets approved by the competent authority.
- (7)Subsidiary— Total amount of fund loaning provided by Chailease International Corp. cannot exceed 40% of net worth (\$1,514,488) of the most recent financial statement.
- (8)Subsidiary— Total amount of fund loaning provided by Chailease Finance International Corp. cannot exceed 40% of net worth (\$1,557,721) of the most recent financial statement.

Note 4: Counter parties

- (1)Subsidiary— Chailease Finance Co., Ltd.: There are 3,703 counter parties altogether during the period, the above table only disclosed the related parties and the top 20 counter parties.
- (2)Subsidiary— Fina Finance & Trading Co., Ltd.: There are 836 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (3)Subsidiary— Chailease Consumer Finance Co., Ltd.: There are 22 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (4)Subsidiary— Chailease International Finance Corporation: There are 86 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (5)Subsidiary— Chailease Specialty Finance Co., Ltd.: There are 114 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (6)Special purpose entities— Chailease Finance Securitization Trust 2016: There are 136 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (7)Subsidiary— Chailease International Corp.: There is 1 counter party during the period.
- (8)Subsidiary— Chailease Finance International Corp.: There is 1 counter party during the period.

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

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2. Guarantees and endorsements for other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement /guarantee amount provided to each guaranteed party (Note 5)	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note 1)										
0	The Company	Chailase International Finance Corporation	2	130,902,220	24,399,460	23,614,450	16,441,818	-	36.08 %	327,255,550	Y		Y
"	"	Chailase International Leasing Company Limited (Vietnam)	2	130,902,220	1,849,200	1,849,200	1,131,710	-	2.83 %	327,255,550	Y		
"	"	Golden Bridge (B.V.I.) Corp.	2	130,902,220	154,100	154,100	-	-	0.24 %	327,255,550	Y		
"	"	Chailase International Company (Malaysia) Limited	2	130,902,220	154,100	154,100	-	-	0.24 %	327,255,550	Y		
"	"	Chailase Berjaya Credit Sdn. Bhd.	2	32,725,555	5,886,214	5,698,342	4,854,538	-	8.71 %	327,255,550	Y		
"	"	Chailase Royals Leasing Pte.	2	32,725,555	2,003,308	2,003,300	810,412	-	3.06 %	327,255,550	Y		
"	"	Chailase Berjaya Finance Corporation	2	32,725,555	1,708,345	1,708,345	330,377	-	2.61 %	327,255,550	Y		
1	Chailase Finance Co., Ltd.	Chailase Finance (B.V.I.) Co., Ltd.	2	63,486,268	737,160	708,860	647,220	-	2.23 %	158,715,670	Y		
"	"	Chailase Auto Rental Co., Ltd.	2	63,486,268	5,027,865	4,909,840	2,670,000	-	15.47 %	158,715,670	Y		
"	"	Chailase Consumer Finance Co., Ltd.	2	63,486,268	4,740,000	4,665,000	660,000	-	14.70 %	158,715,670	Y		
"	"	Chailase Specialty Finance Co., Ltd.	2	63,486,268	600,000	600,000	-	-	1.89 %	158,715,670	Y		
"	"	Apex Credit Solutions Inc.	2	63,486,268	240,000	160,000	-	-	0.50 %	158,715,670	Y		
"	"	Chailase International Leasing Company Limited (Vietnam)	2	63,486,268	7,553,110	7,553,110	4,686,582	-	23.79 %	158,715,670	Y		
"	"	Chailase International Trading Company Limited (Vietnam)	2	63,486,268	986,700	986,700	118,715	-	3.11 %	158,715,670	Y		
"	"	Yun Tung Inc.	2	63,486,268	961,000	944,000	844,000	-	2.97 %	158,715,670	Y		
"	"	Chailase Credit Services Co., Ltd.	2	63,486,268	36,000	36,000	10	-	0.11 %	158,715,670	Y		
"	"	Chailase Energy Integration Co., Ltd.	2	63,486,268	1,330,000	1,180,000	-	-	3.72 %	158,715,670	Y		
"	"	Chailase Power Technology Co., Ltd.	2	63,486,268	100,000	100,000	-	-	0.32 %	158,715,670	Y		
"	"	Oreod Pacific Financing Corp.	2	65,451,110	3,328,560	3,328,560	1,171,160	-	10.49 %	158,715,670			
"	"	Chailase International Financial Services Co., Ltd.	2	65,451,110	29,899,354	27,479,029	16,743,999	-	86.57 %	158,715,670			
"	"	Chailase International Financial Services (Liberia) Co., Ltd.	2	65,451,110	107,503	-	-	-	- %	158,715,670			

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No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement (guarantee amount provided to each guaranteed party (Note 5.5))	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement/ guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note 5)										
2	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	2	10,356,263	345,975	340,900	-	-	6.98 %	23,890,659	Y		
3	Chailase International Finance Corporation	Chailase International Corp.	2	46,782,602	8,873,915	8,873,914	2,891,863	-	37.94 %	116,956,505	Y		Y
"	"	Chailase Finance International Corp.	2	46,782,602	5,996,848	5,850,950	3,727,819	-	25.01 %	116,956,505	Y		Y
"	"	DMC Energy Management Services (Shenzhen) Co., Ltd.	4	11,695,651	103,568	103,050	13,603	-	0.44 %	116,956,505			Y

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

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

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

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

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

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

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

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

Note 5: Subsidiary— The total amount of guarantees and endorsements provided by Chailase Finance Co., Ltd. for Chailase International Financial Services Co., Ltd., Chailase Finance (B.V.I.) Company Ltd., Chailase Specialty Finance Co., Ltd. and Chailase Auto Rental Co., Ltd. is \$1,928,700. The total amount has been adjusted.

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

Note 7: Subsidiary— The maximum guarantees and endorsements provided by Chailase International Finance Corporation cannot exceed five times of net worth of the most recent financial statement. The maximum guarantees and endorsements for individual counter party cannot exceed 50% of its net worth. The individual counter party holding shares to the company are exceed 50% and the maximum guarantees and endorsements cannot exceed double of its net worth.

Note 8: The total amount of guarantees and endorsements provided by the Company for Chailase International Finance Corp. and Chailase International Corp. is CNY130,000 thousand dollars (\$595,400). The total amount has been disclosed in the balance of guarantees and endorsements for Chailase International Corp.

Note 9: The total amount of guarantees and endorsements provided by the Company for Golden Bridge (B.V.I.) Corp. and Chailase International Company (Malaysia) Limited is USD10,000 thousand dollars (\$308,200). The total amount has been adjusted.

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Taiwan Cement Corp.	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	150	6,188	- %	6,188	
"	Yuanta Daily Taiwan 50 Bear -IX ETF	"	"	2,375	28,642	- %	28,642	
"	TA CHEN STAINLESS PIPE CO., LTD.	"	"	125	5,681	- %	5,681	
"	Fubon Financial Holding Co., Ltd.	"	"	380	17,480	- %	17,480	
"	Fubon SSE 180 ETF	"	"	450	14,256	- %	14,256	
"	Cathay Financial Holdings Co., Ltd.	"	"	450	20,227	- %	20,227	
"	SHINKONG INSURANCE CO., LTD.	"	"	50	1,950	- %	1,950	
"	Chicony	"	"	350	25,095	- %	25,095	
"	Hon Hai Precision Industry Co., Ltd.	"	"	310	22,785	- %	22,785	
"	GIGABYTE TECHNOLOGY CO.,LTD	"	"	150	7,365	- %	7,365	
"	GSD Technologies Co., Ltd.	"	"	100	6,480	- %	6,480	
"	BenQ Materials Corporation	"	"	120	3,510	- %	3,510	
"	Forcera Materials Co., Ltd.	"	"	126	480	- %	480	
"	Cathay TAIEX Daily Inversed ETF	"	"	1,800	24,624	- %	24,624	
"	HOTA INDUSTRIAL MFG. CO., LTD.	"	"	60	6,810	- %	6,810	
"	CTBC FINANCIAL HOLDING CO., LTD.	"	"	360	7,362	- %	7,362	
"	Landmark Optoelectronics Corporation	"	"	15	4,238	- %	4,238	
"	ASE Technology Holding Co., Ltd.	"	"	120	8,100	- %	8,100	
"	Primax Electronics Ltd.	"	"	60	3,642	- %	3,642	
"	Wistron NeWeb Corporation	"	"	75	6,075	- %	6,075	
"	Universal Microwave Technology, Inc.	"	"	120	9,900	- %	9,900	
"	ASMEDIA TECHNOLOGY INC.	"	"	9	5,085	- %	5,085	
"	Vanguard International Semiconductor Co.	"	"	45	2,993	- %	2,993	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chaitlease Finance Co., Ltd.	BOARDTEK ELECTRONICS COR.	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	150	5,175	-	5,175	
"	Symtek Automation Asia Co., Ltd.	"	"	60	3,780	-	3,780	
"	Lanner Electronics Inc.	"	"	60	4,710	-	4,710	
"	TONG HSING ELECTRONIC INDUSTRIES, LTD.	"	"	105	10,868	-	10,868	
"	Zhong Yang Technology Co., Ltd.	"	"	150	12,570	-	12,570	
"	Inventec energy Corp.	"	"	51	-	0.15 %	-	(Note 2)
"	Webi & Net Internet Services Inc.	"	"	250	-	10.53 %	-	(Note 2)
"	Skanhex Technology Inc.	"	"	5,273	-	4.53 %	-	(Note 2)
"	Rosun Technologies Inc.	"	"	182	-	-	-	(Note 2) percentage of ownership less than 0.01%
"	EastWest Pharmaceuticals	"	"	242	-	5.84 %	-	(Note 2)
"	Azanda Network Devices	"	"	714	-	-	-	(Note 2) percentage of ownership less than 0.01%
"	Sampotech Co., Ltd.	"	"	369	-	0.10 %	-	(Note 2)
"	Bexcom Pte Ltd.	"	"	197	-	-	-	(Note 2) percentage of ownership less than 0.01%
"	TECO Nanotech Co., Ltd.	"	"	95	-	0.38 %	-	(Note 2)
"	Deerport Ariation	"	"	-	-	10.48 %	-	(Note 2) shareholding less than 1,000 shares
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	Current financial assets at amortized cost	-	651,000	-	651,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	339,932	-	339,932	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	180,000	-	180,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	313,540	-	313,540	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	48,500	-	48,500	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	73,800	-	73,800	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	74,200	- %	74,200	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	44,330	- %	44,330	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	148,040	- %	148,040	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	40,782	- %	40,782	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	460,000	- %	460,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	15,850	- %	15,850	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	217,897	- %	217,897	
"	Bank of BEA's Beneficial Right of the Real Estate Trust	—	"	-	169,900	- %	169,900	
"	Bank of BEA's Beneficial Right of the Real Estate Trust	—	"	-	890,000	- %	890,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	30,000	- %	30,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	41,940	- %	41,940	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	25,000	- %	25,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	37,000	- %	37,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	36,000	- %	36,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	54,490	- %	54,490	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	37,891	- %	37,891	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	1,705	-	1,705	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	3,341	-	3,341	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	1,840	-	1,840	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	130,000	-	130,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	83,000	-	83,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	165,000	-	165,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	262,000	-	262,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	49,000	-	49,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,000	-	42,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,000	-	29,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	16,000	-	16,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	232,000	-	232,000	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance			Fair value (Note 1)	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)		
Chailease Finance Co., Ltd.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	168,300	- %	168,300	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	125,679	- %	125,679	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	48,000	- %	48,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	95,000	- %	95,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	227,058	- %	227,058	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	860,000	- %	860,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	163,000	- %	163,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	209,800	- %	209,800	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	263,720	- %	263,720	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	279,400	- %	279,400	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	43,340	- %	43,340	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	428,980	- %	428,980	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	47,740	- %	47,740	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	74,000	- %	74,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	27,710	- %	27,710	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	53,812	- %	53,812	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	12,100	- %	12,100	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	68,000	- %	68,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	222,490	- %	222,490	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	103,950	- %	103,950	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	510,000	- %	510,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	573,000	- %	573,000	
"	Bank of FEI's Beneficial Right of the Real Estate Trust	—	"	-	53,810	- %	53,810	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	133,200	- %	133,200	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	44,650	- %	44,650	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	62,700	- %	62,700	
"	Bank of BEA's Beneficial Right of the Real Estate Trust	—	"	-	11,100	- %	11,100	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	68,000	- %	68,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	53,000	- %	53,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	227,000	- %	227,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	243,140	- %	243,140	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	54,980	- %	54,980	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	10,795	- %	10,795	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	21,159	- %	21,159	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	21,160	- %	21,160	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,600	- %	29,600	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	26,000	- %	26,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	450,000	- %	450,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	500,000	- %	500,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	147,200	- %	147,200	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	82,000	- %	82,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	325,000	- %	325,000	
"	Bank of FEI's Beneficial Right of the Real Estate Trust	—	"	-	20,670	- %	20,670	
"	Chicony	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	642	46,045	0.09 %	46,045	
"	CTCI Corp.	"	"	770	36,960	0.10 %	36,960	
"	U-Ming Marine Transport Corp.	"	"	270	8,384	0.03 %	8,384	
"	Chin Poon	"	"	380	14,478	0.10 %	14,478	
"	O-Bank Co., Ltd.	"	"	92,694	726,721	3.42 %	726,721	
"	Subton Technology Co., Ltd.	"	"	288	3,964	0.10 %	3,964	
"	Kingmax Technology Inc.	"	"	2,081	21,043	4.73 %	21,043	
"	Spring House Entertainment Tech Inc.	"	"	857	7,109	4.67 %	7,109	
"	Everterminal Co., Ltd.	"	"	490	5,835	0.50 %	5,835	
"	Enova Technology Corp.	"	"	550	1,117	3.07 %	1,117	
"	Tekcon Electronics Corp.	"	"	137	2,215	0.52 %	2,215	
"	Ecomsoftware Inc.	"	"	130	2,627	2.60 %	2,627	
"	Crownpo Technology Inc.	"	"	57	1,195	0.51 %	1,195	
"	Book4u Co., Ltd.	"	"	9	88	0.19 %	88	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Specialty Finance Co., Ltd.	Linkou amusement Co., Ltd.(Stock)	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	-	36,708	-	36,708	(Note 2) shareholding less than 1,000 shares
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	Current financial assets at amortized cost	-	155,000	-	155,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	98,000	-	98,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	5,491	-	5,491	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	-	Non-current financial assets at amortized cost	-	37,000	-	37,000	
Bangkok Grand Pacific Lease Public Company Limited	Bangkok Club Co., Ltd.(Stock)	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	64	205	0.14 %	205	
Asia Sermkij Leasing Public Co., Ltd.	Swe Trans Group Co., Ltd.	"	"	10	9,253	19.00 %	9,253	
"	Bumrungrad Hospital (Stock)	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	59	10,228	0.10 %	10,228	
Chailease International Financial Services Co., Ltd.	Clean Focus Yield Limited	"	"	-	699,408	-	699,408	
Grand Pacific Holding Corp.	Mobilityshift, Inc.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	359	7,705	3.45 %	7,705	
"	Stemcyte Inc.	"	"	38	1,541	0.15 %	1,541	
Grand Pacific Financing Corp.	Swabplus Inc.	"	"	10	-	-	-	
"	Mobilityshift, Inc.	"	"	358	7,705	3.45 %	7,705	
"	Stemcyte Inc.	"	"	38	1,541	0.15 %	1,541	
Chailease International Company(Malaysia) Limited	Anywhere 2 GO Co. Ltd CB	Investee company accounted for under the financial assets at fair value through profit or loss	Non-current financial assets at fair value through profit or loss	-	61,640	-	61,640	

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

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

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

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	Chailase International Financial Services Co., Ltd.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Chailase Finance Co., Ltd.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	Current financial assets at amortized cost	-	-	-	-	-	500,000	-	-	-	-	-	500,000

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

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

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailase Specialty Finance Co., Ltd.	Chailase Finance Co., Ltd.	Parent Company	364,853	-	-		-	-
My Leasing (B.V.I.) Corp.	Golden Bridge (B.V.I.) Corp.	Associates	1,673,667	-	-		-	-
Chailase International Financial Services Co., Ltd.	Chailase International Company (Malaysia) Limited	Associates	1,313,334	-	-		-	-
	Chailase International Financial Services (Labuan) Co., Ltd.	Subsidiaries	712,898	-	-		-	-

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Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailease Finance (B.V.I.) Co., Ltd.	Chailease International Financial Services Co., Ltd.	Associates	4,653,179	-	-		-	-
"	Chailease International Financial Services (Liberia) Corp.	Associates	463,543	-	-		-	-
Chailease International Company (Malaysia) Limited	Golden Bridge (B.V.I.) Corp.	Associates	309,402	-	-		-	-
"	Chailease International Company (UK) Limited	Subsidiaries	1,314,263	-	-		-	-
Chailease International Company (UK) Limited	C&E Engine Leasing Limited	Associates	1,314,528	-	-		-	-

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

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

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

No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	Chailease Holding Co., Ltd	Chailease Berjaya Credit Sdn. Bhd. 、 Chailease Berjaya Finance Corporation 、 Chailease Royal Leasing Pte. 、 Chailease International Leasing Company Limited (Vietnam)	1	Other current financial assets	82,963	Same as normal transactions	0.02 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
1	Chalease Finance Co., Ltd	Chalease Berjaya Credit Sdn. Bhd. • Chalease Finance (B.V.I.) Company Ltd. • Chalease Credit Services Co., Ltd. • Yun Tang Inc. • Chalease Energy Integration Co., Ltd. • Chalease Finance Securitization Trust 2016 • Chalease Consumer Finance Co., Ltd. • Golden Bridge (B.V.I.) Corp. • Chalease International Finance Corporation • Chalease International Financial Services Co., Ltd. • Chalease International Financial Services (Liberia) Corp. • Grand Pacific Holdings Corp. • Chalease Royal Leasing Plc • Chalease Berjaya Finance Corporation • Chalease Specialty Finance Co., Ltd. • Apex Credit Solutions Inc. • Chalease Auto Rental Co., Ltd. • Chalease International Leasing Company Limited (Vietnam) • Chalease Power Technology Co., Ltd. • Chalease International Trading Company Limited (Vietnam) • Chalease Royal Finance Plc. • Chalease Insurance Brokers Co., Ltd. • Sing Chuang Limited Partnership • Fina Finance & Trading Co., Ltd. • Chuang Ju Limited Partnership • Asia Sermkij Leasing Public Co., Ltd. • Bangkok Grand Pacific Lease Public Company Limited	3	Other current financial assets	442,648	Same as normal transactions	0.10 %
1	"	Chalease Specialty Finance Co., Ltd.	3	Payables and notes	364,853	"	0.09 %
1	"	Chalease Auto Rental Co., Ltd. • Chalease International Finance Corporation • Fina Finance & Trading Co., Ltd. • Chalease International Company (UK) Limited	3	Other current financial liabilities	38,782	"	0.01 %
1	"	Fina Finance & Trading Co., Ltd. • Chalease Auto Rental Co., Ltd. • Chalease International Company (UK) Limited.	3	Operating expense	26,563	"	0.33 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
1	Chailase Finance Co., Ltd.	Chailase Speciality Finance Co., Ltd. • Chailase Berjaya Credit Sdn. Bhd. • Chailase Finance (B.V.I.) Company, Ltd. • Chailase Credit Services Co., Ltd. • Yun Tang Inc. • Chailase Energy Integration Co., Ltd. • Chailase Finance Securitization Trust 2016 • Chailase Consumer Finance Co., Ltd. • Chailase International Finance Corporation • Chailase International Financial Services Co., Ltd. • Chailase International Financial Services (Liberia) Corp. • Grand Pacific Holdings Corp. • Chailase Insurance Brokers Co., Ltd. • Chailase Berjaya Finance Corp. • Chailase Royal Leasing Plc. • Chailase Power Technology Co., Ltd. • Sing Chuang Limited Partnership • Chuang Ju Limited Partnership • Apex Credit Solutions Inc. • Asia Sermkij Leasing Public Co., Ltd. • Bangkok Grand Pacific Lease Public Company Limited • Chailase International Leasing Company Limited (Vietnam) • Chailase Cloud Service Co., Ltd. • Chailase International Trading Company Limited (Vietnam) • Chailase Auto Rental Co., Ltd. • Fina Finance & Trading Co., Ltd. • Chailase Royal Finance Plc.	3	Operating revenues and non-operating income	159,364	Same as normal transactions	1.24 %
2	Chailase Finance (B.V.I.) Co., Ltd.	Chailase International Financial Services Co., Ltd. • Chailase International Financial Services (Liberia) Corp.	3	Financing and interest receivable	5,166,722	"	1.22 %
2	"	"	3	Operating revenues	59,881	"	0.46 %
3	Chailase International Finance Corporation	Chailase Finance Co., Ltd. • Jirong Real Estate Co., Ltd.	3	Other current financial liabilities	237,673	"	0.06 %
3	"	"	3	Operating expense	62,391	"	0.48 %
4	Golden Bridge(B.V.I.) Corp.	Chailase Finance Co., Ltd.	3	Other current financial liabilities	45,146	"	0.01 %
4	"	Chailase International Company (Malaysia) Limited. • My Leasing (B.V.I.) Corp. • My Leasing (Mauritius) Corp.	3	Borrowings and interest payable	2,075,922	"	0.49 %
5	My leasing (Mauritius) Corp.	Golden Bridge (B.V.I.) Corp.	3	Financing and interest receivable	92,854	"	0.02 %
6	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited • SK Insurance Broker Co., Ltd.	3	Other current financial assets	2,963,045	"	0.70 %
6	"	"	3	Operating revenues and non-operating income	38,027	"	0.29 %
7	Chailase International Financial Services Co., Ltd.	Chailase International Financial Services (Labuan) Co., Ltd. • Chailase International Company (Malaysia) Limited	3	Financing and interest receivable	2,026,232	"	0.48 %
7	"	Chailase International Financial Services (Labuan) Co., Ltd.	3	Capital leases receivable	561,519	"	0.13 %
7	"	Chailase Finance (B.V.I.) Co., Ltd.	3	Borrowings and interest payable	4,653,180	"	1.10 %
7	"	Chailase Finance Co., Ltd. • Chailase Finance (B.V.I.) Co., Ltd.	3	Operating cost and expenses	71,972	"	0.50 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
8	Chailase International Company (Malaysia) Limited	Chailase International Company (UK) Limited - Golden Bridge (B.V.I.) Corp. - Chailase Royal Finance Plc.	3	Financing and interest receivable	1,727,285	Same as normal transactions	0.56 %
8	"	Chailase International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,313,333	"	0.31 %
9	Chailase International Company (UK) Limited	Chailase International Company (Malaysia) Limited	3	Borrowings and interest payable	1,314,263	"	0.31 %
10	Chailase Specialty Finance Co., Ltd.	Chailase Finance Co., Ltd.	3	Capital leases receivable	364,853	"	0.09 %
11	Fina Finance & Trading Co., Ltd.	"	3	Other current financial liabilities	45,512	"	0.01 %
11	"	"	3	Operating expense	46,278	"	0.36 %
12	My leasing (B.V.I.) Corp.	Golden Bridge(B.V.I.) Corp.	3	Financing and interest receivable	1,673,667	"	0.40 %

Note 1: Descriptions of numbers are as follows:

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

Note 2: Nature of relationship is categorized as follows:

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

Note 3: Business transaction less than 30 millions is not required to be disclosed.

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

(b) Information on investees :

The information on investees of the Group for the three months ended March 31, 2019 is as follows (excluding information on investment in Mainland China) :

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Chailase International Company (Malaysia) Limited	Malaysia	Investment	19,614,314	19,367,754	1,107,247	100.00 %	35,882,611	1,677,612	1,677,612	
"	Chailase International Financial Services Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	2,989,540	2,527,240	97,000	100.00 %	4,338,961	220,381	220,381	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	150,750	150,750	3,927	51.00 %	1,067,982	306,141	156,132	
"	Golden Bridge (B.V.I.) Corp. and its subsidiaries	British Virgin Islands	Investment	12,987,841	12,987,841	377,150	100.00 %	28,089,133	1,600,739	1,600,739	
"	Chailase International Company (Hong Kong) Limited	Hong Kong	Investment	9,247	9,247	300	100.00 %	9,094	(13)	(13)	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chaillease International Company (Malaysia) Limited	Chaillease International (B.V.I.) Corp.	British Virgin Islands	Investment	823,209	699,929	26,550	100.00 %	740,588	(10,656)	(10,656)	
	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	460,710	460,710	40,698	11.57 %	601,076	191,428	22,148	
	Chaillease International Company (UK) Limited	U.K.	Consulting, aircraft leasing and investment	23,469,463	23,469,463	397,567	100.00 %	33,192,659	1,630,614	1,630,614	
	Chaillease Berjaya Credit Sdn. Bhd.	Malaysia	Installment sales	509,180	381,885	70,000	70.00 %	630,173	41,436	29,005	
	Chaillease Royal Leasing Plc.	Cambodia	Leasing	92,460	92,460	3,000	60.00 %	121,285	21,860	13,116	
	Chaillease Royal Finance Plc.	Cambodia	Financing	55,229	18,245	2,112	60.00 %	36,627	(6,584)	(3,950)	
	Yellowstone Holding AG	Swiss	Venture capital investment	162,409	162,409	525,000	35.00 %	140,493	(6,300)	(2,205)	
	Chaillease Berjaya Finance Corporation	Philippines	Leasing and financing	86,865	86,865	150,000	60.00 %	54,098	(2,897)	(1,738)	
Chaillease Berjaya Credits Sdn. Bhd.	Chaillease Agency Sdn. Bhd.	Malaysia	Insurance Brokers	727	727	100	100.00 %	10,098	1,635	1,635	
Chaillease International Company (UK) Limited	Chaillease Finance Co., Ltd.	Taiwan	Installment sales, leasing and factoring	19,831,915	19,831,915	1,522,100	100.00 %	33,380,013	1,788,340	1,788,340	
	C&E Engine Leasing Limited	Ireland	Leasing	480,642	480,642	15,595	50.00 %	499,593	8,640	4,320	
Chaillease International (B.V.I.) Corp.	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	-	340	-	
	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	4,345	(20)	(10)	
	Chaillease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	413,082	409,255	-	48.00 %	417,572	(1,138)	(387)	
	Diamond Rain Group Limited	British Virgin Islands	Investment	398,182	267,702	12,920	35.28 %	310,177	(27,522)	(9,710)	
	Chaillease Finance Co., Ltd.	Taiwan	Installment sales, trading and factoring	6,891,242	6,891,242	584,300	100.00 %	13,371,764	542,502	542,502	
Chaillease Finance Co., Ltd.	Chaillease Specialty Finance Co., Ltd.	Taiwan	Installment sales	5,137,496	5,137,496	201,561	100.00 %	5,376,272	58,120	58,120	
	My Leasing (B.V.I.) Corp.	British Virgin Islands	Investment	523,940	523,940	17,000	100.00 %	1,816,852	17,879	17,879	
	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	819,235	819,235	128,837	36.61 %	1,901,934	191,428	70,082	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailase Finance Co., Ltd.	Chailase Finance (B.V.I.) Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	1,260,847	1,260,847	40,910	100.00 %	4,842,165	15,170	15,170	
"	Apex Credit Solutions Inc.	Taiwan	Accounts receivable management, debt management, valuation, trading in financial instruments	60,939	60,939	10,000	100.00 %	181,625	10,623	10,623	
"	Chung Hung Corp.	Taiwan	Foreign trade of machinery, equipment, transportation and leasing	1,000	1,000	100	28.57 %	1,246	(28)	(8)	
"	Chailase International Leasing Company Limited(Vietnam)	Vietnam	Leasing	758,511	758,511	-	100.00 %	1,242,698	30,061	30,061	
"	Chailase Auto Rental Co., Ltd.	Taiwan	Leasing	1,352,227	1,352,227	135,000	100.00 %	1,380,331	12,849	12,849	
"	Chailase Insurance Brokers Co., Ltd.	Taiwan	Personal and property insurance brokers	8,000	8,000	800	100.00 %	66,508	13,847	13,847	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	126,631	126,631	3,773	49.00 %	1,026,100	306,141	150,009	
"	Chailase Cloud Service Co., Ltd.	Taiwan	Software of cloud products, leasing and installment sales	10,000	10,000	1,000	100.00 %	5,665	(15)	(15)	
"	Yun Tang Inc.	Taiwan	Solar power business	445,000	445,000	-	100.00 %	460,172	(1,012)	(1,012)	
"	Chailase Energy Integration Co., Ltd.	Taiwan	Solar power business	50,000	50,000	5,000	100.00 %	783,575	155,972	155,972	
"	Chailase Finance Securitization Trust 2016	Taiwan	Special purpose entity	880,589	880,589	-	100.00 %	704,528	61,959	61,959	
"	Chailase Power Technology Co., Ltd.	Taiwan	Solar power business	250,000	250,000	25,000	100.00 %	250,962	(4)	(4)	
"	Chailase International Trading Company Limited.(Vietnam)	Vietnam	Trading	154,100	154,100	-	100.00 %	153,438	2,028	2,028	
Fina Finance & Trading Co., Ltd.	Chailase Consumer Finance Co.,Ltd.	Taiwan	Leasing, installment sales and factoring	2,652,436	2,652,436	215,530	100.00 %	3,852,643	103,145	103,145	
"	Chailase Credit Services Co., Ltd.	Taiwan	Installment sales and leasing	10,101	10,101	1,000	100.00 %	9,753	(110)	(110)	
Chailase Consumer Finance Co.,Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	1,800,000	1,800,000	-	- %	1,933,075	37,137	37,137	(Note 2)

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of March 31, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				March 31, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailase Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	1,500,000	1,500,000	-	- %	1,601,198	32,372	32,372	(Note 3)
Chailase Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	-	-	(Note 2)
Chailase Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	-	-	(Note 3)
Chailase International Financial Services Co., Ltd.	Chailase International Financial Services (Liberia) Corp.	Liberia	Leasing	308	308	-	100.00 %	161,459	8,866	8,866	share holding less than 1,000 shares
	Chailase International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	925	925	30	100.00 %	7,756	(369)	(369)	

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

Note 2: Chailase Consumer Financial Co., Ltd. is limited partner, and Chailase Credit Services Co., Ltd. is general partner.

Note 3: Chailase Specialty Financial Co., Ltd. is limited partner, and Chailase Cloud Services Co., Ltd. is general partner.

(c) Information on investment in Mainland China:

1. Related information on investment in Mainland China:

Name of the Investee Company	Principal Business Activities	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of March 31, 2019	Net Income (Losses) of the Investee	Percentage of Ownership	Share of profits/losses (Note 2)	Carrying Amount as of March 31, 2019	Accumulated Inward Remittance of Earnings as of March 31, 2019
					Outflow	Inflow						
Chailase International Finance Corporation	Leasing	10,632,900	(2)	-	-	-	-	1,659,746	100.00 %	1,659,746	29,634,631	3,174,460
Chailase Finance International Corp.	Leasing	1,849,200	(2)	-	-	-	-	154,784	100.00 %	154,784	4,049,642	-
Chailase International Corp.	Trading	916,000	(2)	-	-	-	-	229,707	100.00 %	229,707	4,016,751	-
Jirong Real Estate Co., Ltd.	House property leasing and management	778,600	(2)	-	-	-	-	2,449	100.00 %	2,449	825,870	-
DMC Energy Management Services (Shenzhen) Co., Ltd.	Environmental business	114,500	(2)	-	-	-	-	(1,326)	20.00 %	(265)	19,245	-

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

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

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

Note 2: Except DMC Energy Management Service (Shenzhen) Co., Ltd. recognized investment income with book value, the rest recognized it with the financial statements which had been reviewed.

Note 3: The limit isn't calculated because the Company is foreign company.

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

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

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

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3. Significant transactions:

The aforementioned inter company transaction have been eliminated upon consolidation for the three months ended March 31, 2019, please refer to Note (13) (a).

(14) Segment Information

Operating segments financial information:

	For the three months ended March 31, 2019					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 5,819,699	5,574,438	1,408,695	92,893	-	12,895,725
Intersegment revenues	303,878	20,229	36,811	19,739	(380,657)	-
Total revenue	<u>\$ 6,123,577</u>	<u>5,594,667</u>	<u>1,445,506</u>	<u>112,632</u>	<u>(380,657)</u>	<u>12,895,725</u>
Reportable segment profit or loss	<u>\$ 1,756,541</u>	<u>1,618,654</u>	<u>277,331</u>	<u>42,893</u>	<u>-</u>	<u>3,695,419</u>
	For the three months ended March 31, 2018					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 5,062,897	5,335,692	978,752	161,063	-	11,538,404
Intersegment revenues	262,292	20,148	29,161	13,257	(324,858)	-
Total revenue	<u>\$ 5,325,189</u>	<u>5,355,840</u>	<u>1,007,913</u>	<u>174,320</u>	<u>(324,858)</u>	<u>11,538,404</u>
Reportable segment profit or loss	<u>\$ 1,634,850</u>	<u>1,399,355</u>	<u>265,904</u>	<u>(150,536)</u>	<u>-</u>	<u>3,149,573</u>