

**CHAILEASE HOLDING COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 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 September 30, 2019 and 2018, the related consolidated statements of comprehensive income for the three months and the nine months then ended, as well as the changes in equity and cash flows for the nine months then ended, 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 the total assets amounting to \$82,932,131 thousand and \$72,238,654 thousand, constituting 18% and 19% of the consolidated total assets; and the total liabilities amounting to \$60,869,715 thousand and \$48,600,853 thousand, constituting 16% and 15% of the consolidated total liabilities at September 30, 2019 and 2018, respectively; as well as the total comprehensive income amounting to \$934,223 thousand, \$788,983 thousand, \$2,934,869 thousand and \$2,348,732 thousand, constituting 36%, 22%, 26% and 24% of the consolidated total comprehensive income for the three months and nine months then ended respectively.



Furthermore, as stated in Note 6(f), the other equity accounted investments of the Group in its investee companies of \$1,603,268 thousand and \$1,252,790 thousand at September 30, 2019 and 2018, respectively, and its equity in net loss on these investee companies of \$31,170 thousand, the loss of \$28,016 thousand, the gain of \$115,367 thousand and the loss of \$48,874 thousand for the three months and nine months then ended 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 Group as of September 30, 2019 and 2018, and of its consolidated financial performance for the three months and nine months then ended, and of its consolidated cash flows for the nine months then ended 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)
November 11, 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.

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CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

September 30, 2019, December 31, 2018, and September 30, 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2019.9.30		2018.12.31		2018.9.30		2018.12.31		2018.9.30	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Assets										
Current assets :										
1100 Cash and cash equivalents (Notes (6)(a) and (7))	\$ 19,264,865	4	17,579,967	5	18,644,060	5	2100	Short-term borrowings (Notes (6)(k), (7) and (8))	\$ 56,662,676	12
1110 Current financial assets at fair value through profit or loss (Note (6)(b))	270,347	-	1,005,642	-	1,023,021	-	2110	Short-term notes and bills payable (Notes (6)(j))	70,122,400	15
1136 Current financial assets at amortized cost (Note (6)(b))	9,997,537	2	10,211,997	3	12,308,991	3	2126	Current financial liabilities for hedging (Note (6)(c))	-	-
1139 Current financial assets for hedging (Notes (6)(b) and (6)(c))	821,392	-	94,684	-	197,225	-	2170	Accounts and notes payable	3,391,596	1
1170 Accounts receivable, net (Notes (6)(d), (7) and (8))	299,451,663	66	264,233,577	66	249,200,820	66	2230	Current tax liabilities	1,355,016	-
1300 Inventories	-	-	-	-	52,829	-	2280	Current lease liabilities (Note (6)(m) and (7))	908,512	-
1476 Other current financial assets (Notes (7) and (8))	5,073,835	1	4,354,916	1	4,244,113	1	2305	Other current financial liabilities (Notes (7))	42,130,534	9
1479 Other current assets (Notes (6)(c))	5,635,228	1	5,062,848	1	5,552,975	2	2320	Long-term liabilities, current portion (Note (6)(k), (6)(l), (7) and (8))	122,744,181	27
Non-current assets :							2399	Other current liabilities	2,843,028	1
1510 Non-current financial assets at fair value through profit or loss (Note (6)(b))	70,524	-	-	-	-	-			300,157,943	65
1517 Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	877,180	-	947,180	-	976,438	-		Non-current Liabilities :	18,240,391	4
1535 Non-current financial assets at amortized cost (Note (6)(b))	1,627,496	-	2,058,584	1	1,608,030	-	2530	Bonds payable (Notes (6)(l))	60,606,303	13
1550 Investments accounted for using equity method (Note (6)(f) and (8))	1,603,268	-	1,268,249	-	1,252,790	-	2540	Long-term borrowings (Notes (6)(k), (7) and (8))	2,538,709	1
1600 Property, plant and equipment (Notes (6)(g), (7) and (8))	31,854,081	7	10,349,301	3	10,275,071	3	2570	Deferred tax liabilities (Note 6(p))	2,411,581	1
1755 Right-of-use assets (Notes (6)(h) and (7))	3,304,663	1	-	-	-	-	2580	Non-current lease liabilities (Note (6)(m) and (7))	6,888,701	1
1780 Intangible assets (Note (6)(i))	74,442	-	75,746	-	60,751	-	2600	Other non-current liabilities (Note (6)(o))	5,622,139	1
1840 Deferred tax assets (Note (6)(p))	2,743,424	1	3,360,546	1	3,102,851	1		Total Liabilities	90,685,685	20
1930 Long-term accounts receivable, net (Notes (6)(d), (7) and (8))	77,383,900	17	78,783,682	19	70,975,539	19			390,843,628	85
1995 Other non-current assets (Notes (7) and (8))	1,055,947	-	990,790	-	938,588	-		Equity attributable to owners of the Company : (Note (6)(q))		
	120,594,925	26	97,834,078	24	89,190,058	23		Share Capital	13,282,000	3
								Capital surplus	17,379,467	4
								Special reserve	2,095,945	-
								Unappropriated retained earnings	36,419,227	8
								Other equity items	(2,793,199)	(1)
								Total equity attributable to owners of the Company	66,383,440	14
								Non-controlling interests	61,214,225	15
								Total equity	3,882,724	1
								TOTAL LIABILITIES AND EQUITY	70,266,164	15
									64,063,099	16
									\$ 461,109,792	100
									400,377,709	100
									380,414,092	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 June 30, 2019 and 2018 and for the nine months ended September 30, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the three months ended September 30				For the nine months ended September 30			
		2019		2018		2019		2018	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues: (Note (7))									
4111	Sales revenue	\$ 3,325,179	22	2,269,464	18	9,293,377	22	7,541,932	20
4810	Interest revenue - installment sales	2,449,771	16	2,155,194	17	7,014,551	16	6,198,282	17
4820	Interest revenue - capital leases	4,479,190	29	3,468,114	27	12,619,018	30	9,588,794	26
4300	Rental revenue - operating leases	853,643	6	803,881	6	2,510,477	6	2,374,305	7
4230	Interest revenue - loans	1,208,922	8	999,323	8	3,402,929	8	2,862,838	8
4240	Other interest revenue	1,273,415	8	984,317	8	3,566,372	8	2,741,534	7
4881	Other operating revenue	1,694,615	11	1,996,437	16	4,347,613	10	5,670,848	15
		<u>15,284,735</u>	<u>100</u>	<u>12,676,730</u>	<u>100</u>	<u>42,754,337</u>	<u>100</u>	<u>36,978,533</u>	<u>100</u>
Operating costs: (Note (7))									
5111	Cost of sales	2,728,529	18	1,978,743	15	7,622,409	18	6,548,369	18
5240	Interest expense	2,065,502	13	1,575,195	12	5,816,595	14	4,387,167	12
5300	Cost of rental revenue	581,534	4	585,123	5	1,760,517	4	1,760,383	5
5800	Other operating costs	619,016	4	558,477	5	1,766,472	4	1,586,478	4
		<u>5,994,581</u>	<u>39</u>	<u>4,697,538</u>	<u>37</u>	<u>16,965,993</u>	<u>40</u>	<u>14,282,397</u>	<u>39</u>
	Gross profit from operation	<u>9,290,154</u>	<u>61</u>	<u>7,979,192</u>	<u>63</u>	<u>25,788,344</u>	<u>60</u>	<u>22,696,136</u>	<u>61</u>
6400	Operating expenses (Note (7))	<u>2,738,069</u>	<u>18</u>	<u>2,387,455</u>	<u>19</u>	<u>7,932,211</u>	<u>19</u>	<u>6,744,517</u>	<u>18</u>
6450	Expected credit loss (Note (6)(d))	<u>1,193,107</u>	<u>8</u>	<u>1,045,553</u>	<u>8</u>	<u>3,055,708</u>	<u>7</u>	<u>2,769,505</u>	<u>7</u>
6500	Net other income and expenses (Note (6)(t))	<u>119,254</u>	<u>1</u>	<u>33,348</u>	<u>-</u>	<u>341,901</u>	<u>1</u>	<u>114,642</u>	<u>-</u>
	Operating profit	<u>5,478,232</u>	<u>36</u>	<u>4,579,532</u>	<u>36</u>	<u>15,142,326</u>	<u>35</u>	<u>13,296,756</u>	<u>36</u>
Non-operating income and expenses:									
7100	Interest income	34,386	-	26,076	-	95,392	-	80,902	-
7130	Dividend income	9,900	-	35,468	-	13,214	-	42,780	-
7020	Other gains and losses (Note (6)(u) and (7))	70,073	-	129,313	1	605,029	2	620,288	2
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method (Note (6)(f))	(31,170)	-	(28,016)	-	115,367	-	(48,874)	-
		<u>83,189</u>	<u>-</u>	<u>162,841</u>	<u>1</u>	<u>829,002</u>	<u>2</u>	<u>695,096</u>	<u>2</u>
7900	Profit before income tax	<u>5,561,421</u>	<u>36</u>	<u>4,742,373</u>	<u>37</u>	<u>15,971,328</u>	<u>37</u>	<u>13,991,852</u>	<u>38</u>
7950	Less: Income tax expenses (Note (6) (p))	<u>1,524,234</u>	<u>10</u>	<u>1,233,493</u>	<u>10</u>	<u>4,078,648</u>	<u>9</u>	<u>3,621,500</u>	<u>10</u>
	Profit for the period	<u>4,037,187</u>	<u>26</u>	<u>3,508,880</u>	<u>27</u>	<u>11,892,680</u>	<u>28</u>	<u>10,370,352</u>	<u>28</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	(19,225)	-	(18,107)	-	(25,757)	-	(59,678)	-
8349	Less: 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>(19,225)</u>	<u>-</u>	<u>(18,107)</u>	<u>-</u>	<u>(25,757)</u>	<u>-</u>	<u>(59,678)</u>	<u>-</u>
8360	Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361	Exchange differences on translation	(1,419,510)	(9)	(845,641)	(7)	(623,332)	(2)	(471,834)	(2)
8368	Gains (loss) on hedging instrument	(8,353)	-	(66,441)	-	(2,116)	-	(150,088)	-
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	1,086	-	(740)	-	(3,430)	-	(3,805)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss	2,612	-	568	-	44,052	-	29,360	-
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(1,429,389)</u>	<u>(9)</u>	<u>(913,390)</u>	<u>(7)</u>	<u>(672,930)</u>	<u>(2)</u>	<u>(655,087)</u>	<u>(2)</u>
	Other comprehensive income (net of tax)	<u>(1,448,614)</u>	<u>(9)</u>	<u>(931,497)</u>	<u>(7)</u>	<u>(698,687)</u>	<u>(2)</u>	<u>(714,765)</u>	<u>(2)</u>
8500	Total comprehensive income for the period	<u>\$ 2,588,573</u>	<u>17</u>	<u>2,577,383</u>	<u>20</u>	<u>11,193,993</u>	<u>26</u>	<u>9,655,587</u>	<u>26</u>
Profit attributable to:									
8610	Owners of the Company	\$ 3,863,474	25	3,397,383	26	11,482,298	27	10,035,719	27
8620	Non-controlling interests	173,713	1	111,497	1	410,382	1	334,633	1
		<u>\$ 4,037,187</u>	<u>26</u>	<u>3,508,880</u>	<u>27</u>	<u>11,892,680</u>	<u>28</u>	<u>10,370,352</u>	<u>28</u>
Comprehensive income attributable to:									
8710	Owners of the Company	\$ 2,591,365	17	2,410,104	19	10,781,222	25	9,251,331	25
8720	Non-controlling interests	(2,792)	-	167,279	1	412,771	1	404,256	1
		<u>\$ 2,588,573</u>	<u>17</u>	<u>2,577,383</u>	<u>20</u>	<u>11,193,993</u>	<u>26</u>	<u>9,655,587</u>	<u>26</u>
9750	Basic earnings per share (NT dollars) (Note (6)(r))	<u>\$ 2.91</u>		<u>2.56</u>		<u>8.65</u>		<u>7.56</u>	

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CHALEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Nine Months Ended September 30, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

Equity Attributable to Owners of the Company											
			Other Equity Items								
Stock	Retained Earnings			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) on hedging instruments	Total equity attributable to owners of the Company	Non-controlling Interests	Total equity	
Share capital	Capital surplus	Special reserve	Unappropriated 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) on hedging instruments	Total equity attributable to owners of the Company	Non-controlling Interests	Total equity
\$ 12,642,300	17,367,796	674,779	24,374,823	(1,491,002)	-	(93,386)	(145)	186,710	53,661,875	2,501,946	56,163,821
-	-	-	(245,840)	-	(93,386)	93,386	145	(186,710)	(245,840)	(87,145)	(332,985)
12,642,300	17,367,796	674,779	24,128,983	(1,491,002)	(93,386)	-	-	186,565	53,416,035	2,414,801	55,830,836
-	-	-	10,035,719	-	-	-	-	-	10,035,719	334,633	10,370,352
-	-	-	-	(574,622)	(59,678)	-	-	(150,088)	(784,388)	69,623	(714,765)
-	-	-	10,035,719	(574,622)	(59,678)	-	-	(150,088)	9,251,331	404,256	9,655,587
-	-	723,044	(723,044)	-	-	-	-	-	-	-	-
-	-	-	(4,804,074)	-	-	-	-	-	(4,804,074)	-	(4,804,074)
252,846	-	-	(252,846)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	(176,518)	(176,518)	(176,518)
-	-	-	2,220	-	(2,220)	-	-	-	-	-	-
\$ 12,895,146	17,367,796	1,397,823	28,386,968	(2,065,624)	(155,294)	-	-	36,477	57,863,292	2,642,539	60,505,831
\$ 12,895,146	17,367,796	1,397,823	31,649,405	(1,716,802)	(184,517)	-	-	(194,626)	61,214,225	2,848,874	64,063,099
-	-	-	(207,717)	-	-	-	-	-	(207,717)	-	(207,717)
12,895,146	17,367,796	1,397,823	31,441,688	(1,716,802)	(184,517)	-	-	(194,626)	61,006,508	2,848,874	63,855,382
-	-	-	11,482,298	-	-	-	-	-	11,482,298	410,382	11,892,680
-	-	-	-	(673,203)	(25,757)	-	-	(2,116)	(701,076)	2,389	(698,687)
-	-	-	11,482,298	(673,203)	(25,757)	-	-	(2,116)	10,781,222	412,771	11,193,993
-	-	698,122	(698,122)	-	-	-	-	-	-	-	-
-	-	-	(5,415,961)	-	-	-	-	-	(5,415,961)	-	(5,415,961)
386,854	-	-	(386,854)	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	621,079	621,079
-	-	-	(3,822)	-	3,822	-	-	-	-	-	-
-	11,671	-	-	-	-	-	-	-	11,671	-	-
\$ 13,282,000	17,379,467	2,095,945	36,419,227	(2,390,005)	(206,452)	-	-	(196,742)	66,383,440	3,882,724	70,266,164

Balance at January 1, 2018

Effects of retrospective application

Equity at beginning of period after adjustments

Profit for the nine months ended September 30, 2018

Other comprehensive income (loss) for the nine months ended

September 30, 2018

Total comprehensive income (loss) for the nine months ended

September 30, 2018

Earnings distribution and appropriation:

Special reserve appropriated

Cash dividends of ordinary share

Stock dividends of ordinary share

Changes in non-controlling interests

Disposal of investments in equity instruments designated at fair value

through other comprehensive income

Balance at September 30, 2018

Balance at January 1, 2019

Effects of retrospective application

Equity at beginning of period after adjustments

Profit for the nine months ended September 30, 2019

Other comprehensive income (loss) for the nine months ended

September 30, 2019

Total comprehensive income (loss) for the nine months ended

September 30, 2019

Earnings distribution and appropriation:

Special reserve appropriated

Cash dividends of ordinary share

Stock dividends of ordinary share

Changes in non-controlling interests

Disposal of investments in equity instruments designated at fair value

through other comprehensive income

Changes in ownership in subsidiaries

Balance at September 30, 2019

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 CASH FLOWS

For the Nine Months Ended September 30, 2019 and 2018

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30,	
	2019	2018
Cash flows from operating activities:		
Profit before tax	\$ 15,971,328	13,991,852
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,738,591	1,662,040
Amortization expense	143,051	119,050
Expected credit loss	3,055,708	2,769,505
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	(17,242)	15,557
Interest expense	5,852,049	4,387,167
Interest income	(26,698,262)	(21,472,350)
Dividend income	(13,214)	(42,880)
Share of (gain) loss of associates and joint ventures accounted for using equity method	(115,367)	48,874
Gain on disposal of property, plant and equipment	(103,198)	(62,079)
Loss on disposal of foreclosed assets	113,437	95,125
Impairment loss on non-financial assets	178,735	284,439
Effect of changes in lease contract	(527)	-
Total adjustments to reconcile profit	(14,866,239)	(12,195,552)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease (increase) in financial assets at fair value through profit or loss, mandatorily measured at fair value	691,025	(191,017)
Increase in accounts receivable	(53,527,929)	(49,882,557)
Increase in other current financial assets	(578,941)	(450,199)
Increase in inventories	-	(52,829)
Increase in other current assets	(720,170)	(1,346,838)
Proceeds from sales of operating lease assets and operating equipments	889,862	742,252
Purchase of operating lease assets and operating equipments	(9,246,321)	(2,860,012)
Increase in other operating assets	(208,315)	(128,435)
Total changes in operating assets	(62,700,789)	(54,169,635)
Changes in operating liabilities:		
Decrease in accounts and notes payable	(911,563)	(65,168)
Increase in long term and short term debts	257,848,452	257,832,225
Repayment of long term and short term debts	(213,526,578)	(215,113,580)
Increase in other current financial liabilities	5,214,664	5,307,901
Increase (decrease) in accrued pension liabilities	21,326	(2,796)
Increase in other current liabilities others	1,507,182	785,062
Increase in other operating liabilities	1,278,935	466,145
Total changes in operating liabilities	51,432,418	49,209,789
Total changes in operating assets and liabilities	(11,268,371)	(4,959,846)
Total adjustments	(26,134,610)	(17,155,398)
Cash outflow used in operations	(10,163,282)	(3,163,546)
Interest received	26,497,250	21,320,662
Dividends received	13,214	42,880
Interest paid	(5,757,654)	(4,244,970)
Income taxes paid	(3,860,676)	(2,875,196)
Net cash flows provided by operating activities	6,728,852	11,079,830
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	48,747	52,139
Acquisition of financial assets at amortized cost	(5,256,146)	(8,581,295)
Proceeds from disposal of financial assets at amortized cost	5,901,693	2,500,721
Acquisition of investments accounted for using equity method	(228,626)	(140,957)
Acquisition of property, plant and equipment	(145,594)	(90,859)
Proceeds from disposal of property, plant and equipment	97,726	127,370
Acquisition of intangible assets	(865)	(216)
Proceeds from disposal of foreclosed assets	114,918	-
Acquisition of right-of-use assets	(59,317)	-
Proceeds from disposal of right-of-use assets	131,233	-
Net cash flows provided by (used in) investing activities	603,769	(6,142,651)
Cash flows from financing activities:		
Distribution of cash dividend	(5,415,906)	(4,804,070)
Change in non-controlling interests	621,079	(176,518)
Payment of lease liabilities	(439,578)	-
Net cash flows used in financing activities	(5,234,405)	(4,980,588)
Effect of exchange rate changes on cash and cash equivalents	(398,882)	(343,124)
Net increase (decrease) in cash and cash equivalents	1,699,334	(386,533)
Cash and cash equivalents at beginning of period	17,565,531	19,030,593
Cash and cash equivalents at end of period	\$ 19,264,865	18,644,060

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

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(1) Company history

Chailase 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 September 30, 2019 and 2018, the Company had outstanding common stock of \$13,282,000 and \$12,895,146 divided into 1,328,200,030 shares and 1,289,514,593 shares, respectively.

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

The consolidated financial statements were approved by the chairman, reported to Board of Directors on November 11, 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.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
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:

	January 1, 2019
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	554,326
	<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 endorsed by FSC but not yet effective

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, 2020, in accordance with Ruling No. 1080323028 issued by the FSC on July 29, 2019:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

The Group assesses that the adoption of the abovementioned standards would not have any material impact on its consolidated financial statements.

(c) 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:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
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 IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"	January 1, 2020

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

(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.

(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 a complete set of the 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
			2019.9.30	2018.12.31	2018.9.30	
The Company	Chailease International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	100.00 %	
"	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
"	Chailease International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease International Company (Hong Kong) Limited	Investment	100.00 %	100.00 %	100.00 %	On September 7, 2018, the Company invested in this subsidiary, which was established on February 13, 2018. (Note b)
"	Chailease International Financial Services (Liberia) Corp.	Leasing	100.00 %	- %	- %	The Company acquired the subsidiary from Chailease International Financial Service Co., Ltd. on September 30, 2019. (Note b)

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.9.30	2018.12.31	2018.9.30	
The Company	Chailease International Financial Services (Labuan) Co., Ltd.	Leasing	100.00 %	- %	- %	The Company acquired the subsidiary from Chailease International Financial Service Co., Ltd. on September 30, 2019. (Note b)
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chailease International Finance Corporation	Leasing	97.85 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp. and Chailease International Finance Corporation	Chailease Finance International Corp.	Leasing	100.00 %	100.00 %	100.00 %	
Chailease International Finance Corporation	Chailease 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 %	
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
"	Chailease International Company (UK) Limited	Consulting, aircraft leasing and investment	100.00 %	100.00 %	100.00 %	
"	Chailease Berjaya Credit Sdn. Bhd.	Installment sales	70.00 %	70.00 %	70.00 %	(Note b)
"	Chailease Royal Leasing Plc.	Leasing	60.00 %	60.00 %	60.00 %	(Note b)
"	Chailease Berjaya Finance Corporation	Leasing and financing	60.00 %	60.00 %	60.00 %	(Note b)
"	Chailease Royal Finance Plc.	Financing	60.00 %	60.00 %	- %	The Company acquired the subsidiary on December 19, 2018. (Note b)
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	100.00 %	
Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Liberia) Corp.	Leasing	- %	100.00 %	100.00 %	Chailease International Financial Services Co., Ltd. disposed all of its shares to the Company on September 30, 2019. (Note b)

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.9.30	2018.12.31	2018.9.30	
Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Labuan) Co., Ltd.	Leasing	- %	100.00 %	100.00 %	Chailease International Financial Services Co., Ltd. disposed all of its shares to the Company on September 30, 2019. (Note b)
Chailease Berjaya Credit Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	100.00 %	(Note b)
"	Chailease Services Sdn. Bhd.	Insurance brokers	100.00 %	- %	- %	Chailease Berjaya Credit Sdn. Bhd. invested in this subsidiary on September 13, 2019. (Note b)
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	100.00 %	100.00 %	100.00 %	
"	Chailease 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)
Chailease International Company (Malaysia) Limited and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	48.18 %	Please refer to Note (5) for the detailed disclosure of the judgment regarding the control of Asia SermKij Leasing Public Co., Ltd.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Company, Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	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)

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.9.30	2018.12.31	2018.9.30	
Chailease Finance Co., Ltd.	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.	Solar Power business	100.00 %	100.00 %	100.00 %	(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)
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 %	

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2019.9.30	2018.12.31	2018.9.30	
Asia Sermkij Leasing Public Co., Ltd.	SK Insurance Broker Co., Ltd.	Insurance brokers	100.00 %	100.00 %	100.00 %	

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

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

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

Note b: The financial statements have not been reviewed.

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

(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.

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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.

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.

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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.

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'.

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(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.

(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.

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(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	2019.9.30	2018.12.31	2018.9.30
Cash and demand deposits	\$ 18,504,896	16,615,450	18,012,030
Time deposits	636,004	391,564	201,656
Cash equivalents-repurchase bills	<u>123,965</u>	<u>572,953</u>	<u>430,374</u>
Cash and cash equivalents	19,264,865	17,579,967	18,644,060
Bank overdraft	<u>-</u>	<u>(14,436)</u>	<u>-</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 19,264,865</u>	<u>17,565,531</u>	<u>18,644,060</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 :

	2019.9.30	2018.12.31	2018.9.30
Financial assets designated as at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss :			
Securities of listed companies	\$ 269,867	255,306	225,374
Private equity	480	480	-
Non-hedging derivatives	-	749,856	797,647
Convertible bonds	<u>70,524</u>	<u>-</u>	<u>-</u>
Sub-total	<u>340,871</u>	<u>1,005,642</u>	<u>1,023,021</u>
Financial assets at fair value through other comprehensive income			
Securities of listed companies	768,746	838,348	867,858
Emerging stock	3,400	3,366	3,511
Private equity	<u>105,034</u>	<u>105,466</u>	<u>105,069</u>
Sub-total	<u>877,180</u>	<u>947,180</u>	<u>976,438</u>
Financial assets measured at amortized cost			
Investment in debt securities	<u>11,625,033</u>	<u>12,270,581</u>	<u>13,917,021</u>
Current financial assets for hedging	<u>821,392</u>	<u>94,684</u>	<u>197,225</u>
Total	<u>\$ 13,664,476</u>	<u>14,318,087</u>	<u>16,113,705</u>

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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%~7.77%.

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

(c) Derivative instruments used for hedging

As of September 30, 2019, December 31, 2018, and September 30, 2018, the Group held derivative instruments qualified for hedge accounting as follows:

		2019.9.30			
	Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	4,760	USD to MYR	4.83%	90 Day LIBOR+ 1.4%	2018.06.04~
MYR	18,969				2020.03.02
USD	12,000	USD to MYR	4.83%	90 Day LIBOR+ 1.35%	2019.03.20~
MYR	48,960				2022.03.21
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
USD	50,000	USD to CNY	4.21%	90 Day LIBOR+ 1.4%	2019.06.17~
CNY	345,500				2022.06.17
USD	50,000	USD to CNY	4.20%	90 Day LIBOR+ 1.4%	2019.07.15~
CNY	344,375				2022.07.15
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.19~
CNY	352,650				2022.08.19
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.26~
CNY	352,650				2022.08.26
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23

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		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

		2018.9.30			
	Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	5,880	USD to MYR	4.83%	90 Day LIBOR+ 1.4%	2018.06.04~
MYR	23,432				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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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
		2019.9.30	2018.12.31	2018.9.30		
USD loans and JPY loans	Cross Currency Swap	\$ 821,392	94,684	197,225	2017~2022	2017~2022
JPY loans	Cross Currency Swap	-	(6,022)	(38,845)	2018~2021	2018~2021
		For the three months ended September 30,		For the nine months ended September 30,		
Item		2019	2018	2019	2018	
The fair value adjustment to other comprehensive income	\$	(43,189)	(74,236)	6,831	(114,967)	

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		
		2019.9.30	2018.12.31	2018.9.30
Equity investment measured in USD	Foreign currency borrowings	\$ 6,890,880	3,440,080	5,738,700

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 nine months ended September 30, 2019 and 2018.

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(d) Accounts receivable, net

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Current			
Accounts receivable	\$ 30,282,967	25,017,035	23,706,090
Less: Allowance for impairment	<u>(783,250)</u>	<u>(672,901)</u>	<u>(667,093)</u>
	<u>29,499,717</u>	<u>24,344,134</u>	<u>23,038,997</u>
Installment sales receivable	95,093,702	89,864,903	87,541,438
Less: Unearned interests	<u>(9,609,237)</u>	<u>(8,596,689)</u>	<u>(8,371,598)</u>
Allowance for impairment	<u>(3,127,717)</u>	<u>(3,030,389)</u>	<u>(3,202,809)</u>
	<u>82,356,748</u>	<u>78,237,825</u>	<u>75,967,031</u>
Leases receivable (included operating leases)	157,795,060	136,913,485	125,285,626
Less: Unearned revenue	<u>(19,457,235)</u>	<u>(18,984,723)</u>	<u>(17,018,809)</u>
Allowance for impairment	<u>(3,684,273)</u>	<u>(3,873,586)</u>	<u>(3,878,894)</u>
	<u>134,653,552</u>	<u>114,055,176</u>	<u>104,387,923</u>
Loans receivable	53,919,965	48,582,739	46,804,076
Less: Allowance for impairment	<u>(978,319)</u>	<u>(986,297)</u>	<u>(997,207)</u>
	<u>52,941,646</u>	<u>47,596,442</u>	<u>45,806,869</u>
Sub-total of current accounts	<u>299,451,663</u>	<u>264,233,577</u>	<u>249,200,820</u>
Non Current			
Accounts receivable	15,295,784	11,530,100	10,007,460
Less: Allowance for impairment	<u>(214,224)</u>	<u>(167,035)</u>	<u>(146,654)</u>
	<u>15,081,560</u>	<u>11,363,065</u>	<u>9,860,806</u>
Installment sales receivable	50,292,721	41,578,182	39,680,060
Less: Unearned interests	<u>(5,879,681)</u>	<u>(4,699,281)</u>	<u>(4,380,872)</u>
Allowance for impairment	<u>(783,415)</u>	<u>(620,965)</u>	<u>(743,355)</u>
	<u>43,629,625</u>	<u>36,257,936</u>	<u>34,555,833</u>
Leases receivable	8,041,963	37,519,113	30,899,364
Less: Unearned revenue	<u>(763,691)</u>	<u>(13,614,760)</u>	<u>(11,334,516)</u>
Allowance for impairment	<u>(197,497)</u>	<u>(149,286)</u>	<u>(156,642)</u>
	<u>7,080,775</u>	<u>23,755,067</u>	<u>19,408,206</u>
Loans receivable	12,016,217	7,754,978	7,509,603
Less: Allowance for impairment	<u>(424,277)</u>	<u>(347,364)</u>	<u>(358,909)</u>
	<u>11,591,940</u>	<u>7,407,614</u>	<u>7,150,694</u>
Sub-total of non current accounts	<u>77,383,900</u>	<u>78,783,682</u>	<u>70,975,539</u>
Total accounts receivable	<u>\$ 376,835,563</u>	<u>343,017,259</u>	<u>320,176,359</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 nine months ended September 30,	
	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	3,055,708	2,769,505
Bad debts written off	(2,715,252)	(2,254,374)
Effect of exchange rate changes	4,693	(62,016)
Ending balance	<u>\$ 10,192,972</u>	<u>10,151,563</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 capital lease payments, showing the undiscounted lease payments to be received after the reporting date is as follows:

	2019.9.30
Less than one year	\$ 85,835,267
One to two years	55,065,487
Two to three years	19,335,374
Three to four years	3,652,341
Four to five years	1,036,042
More than five years	<u>754,571</u>
Gross investment in the leases	165,679,082
Unearned revenue	<u>(20,220,926)</u>
Present value of minimum leases receivable	<u>\$ 145,458,156</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
September 30, 2018			
Within operating cycle	\$ 125,145,383	(17,018,809)	108,126,574
Beyond one operating cycle to 5 years	8,533,167	(1,045,744)	7,487,423
Beyond 5 years	<u>22,366,197</u>	<u>(10,288,772)</u>	<u>12,077,425</u>
	<u>\$ 156,044,747</u>	<u>(28,353,325)</u>	<u>127,691,422</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	2018.9.30
Within operating cycle	\$ 2,597,706	2,578,589
Beyond one operating cycle to 5 years	2,029,923	2,090,102
Beyond 5 years	<u>43,345</u>	<u>643</u>
	<u>\$ 4,670,974</u>	<u>4,669,334</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
September 30, 2019			
Within operating cycle	\$ 95,093,702	(9,609,237)	85,484,465
Beyond one operating cycle to 5 years	47,712,694	(5,552,490)	42,160,204
Beyond 5 years	<u>2,580,027</u>	<u>(327,191)</u>	<u>2,252,836</u>
	<u>\$ 145,386,423</u>	<u>(15,488,918)</u>	<u>129,897,505</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	<u>1,947,926</u>	<u>(266,509)</u>	<u>1,681,417</u>
	<u>\$ 131,443,085</u>	<u>(13,295,970)</u>	<u>118,147,115</u>
September 30, 2018			
Within operating cycle	\$ 87,541,438	(8,371,598)	79,169,840
Beyond one operating cycle to 5 years	37,999,155	(4,148,438)	33,850,717
Beyond 5 years	<u>1,680,905</u>	<u>(232,434)</u>	<u>1,448,471</u>
	<u>\$ 127,221,498</u>	<u>(12,752,470)</u>	<u>114,469,028</u>

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

	2019.9.30	2018.12.31	2018.9.30
Prepayments	\$ 3,255,751	3,011,079	3,792,796
Prepaid expenses	2,145,585	1,768,036	1,555,994
Foreclosed assets	224,895	281,950	198,593
Others	8,997	1,783	5,592
	\$ 5,635,228	5,062,848	5,552,975

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As of September 30, 2019, December 31, 2018, and September 30, 2018, foreclosed assets held by the Group were as follows:

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Foreclosed assets	\$ 301,225	356,641	281,037
Less: Accumulated impairment	<u>(76,330)</u>	<u>(74,691)</u>	<u>(82,444)</u>
	<u><u>\$ 224,895</u></u>	<u><u>281,950</u></u>	<u><u>198,593</u></u>

For the three months and the nine months ended September 30, 2019 and 2018, the Group recognized an impairment loss of \$4,637, the loss of \$13,850, the gain of \$3,552 and the loss of \$35,567, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and a disposal loss of \$36,389, \$34,277, \$113,437 and \$95,125 for the three months and the nine months ended September 30, 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>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Investments in affiliates	<u><u>\$ 1,603,268</u></u>	<u><u>1,268,249</u></u>	<u><u>1,252,790</u></u>

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Comprehensive income attributable to the Group				
Gain (loss) for the period	\$ (31,170)	(28,016)	115,367	(48,874)
Other comprehensive income	<u>1,086</u>	<u>(740)</u>	<u>(3,430)</u>	<u>(3,805)</u>
Total comprehensive income	<u><u>\$ (30,084)</u></u>	<u><u>(28,756)</u></u>	<u><u>111,937</u></u>	<u><u>(52,679)</u></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 nine months ended September 30, 2019 and 2018, were as follows:

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
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	-	2,784,244	6,582,438	25,233	9,391,915
Disposals	-	(2,125,281)	(256,067)	(4,398)	(2,385,746)
Effect of movements in exchange rate	(30,379)	17,644	8,616	736	(3,383)
Balance at September 30, 2019	<u>\$ 2,910,039</u>	<u>12,555,388</u>	<u>24,614,485</u>	<u>210,832</u>	<u>40,290,744</u>
Balance at January 1, 2018	\$ 2,934,645	11,129,091	1,448,670	173,084	15,685,490
Additions	31,616	2,547,583	363,576	8,096	2,950,871
Disposals	-	(2,004,514)	(138,499)	(161)	(2,143,174)
Effect of movements in exchange rate	(38,082)	31,644	1,431	(363)	(5,370)
Balance at September 30, 2018	<u>\$ 2,928,179</u>	<u>11,703,804</u>	<u>1,675,178</u>	<u>180,656</u>	<u>16,487,817</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	41,123	1,596,854	710,628	11,921	2,360,526
Impairment loss	-	168,878	13,409	-	182,287
Disposals	-	(1,418,356)	(82,194)	(806)	(1,501,356)
Effect of movements in exchange rate	(4,608)	9,342	5,619	310	10,663
Balance at September 30, 2019	<u>\$ 631,378</u>	<u>4,775,178</u>	<u>2,870,254</u>	<u>159,853</u>	<u>8,436,663</u>
Balance at January 1, 2018	\$ 586,820	3,949,680	956,336	133,427	5,626,263
Depreciation	39,780	1,480,415	131,267	10,578	1,662,040
Impairment loss	-	180,552	68,320	-	248,872
Disposals	-	(1,314,401)	(21,069)	(161)	(1,335,631)
Effect of movements in exchange rate	(4,850)	13,710	2,416	(74)	11,202
Balance at September 30, 2018	<u>\$ 621,750</u>	<u>4,309,956</u>	<u>1,137,270</u>	<u>143,770</u>	<u>6,212,746</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 September 30, 2019	<u>\$ 2,278,661</u>	<u>7,780,210</u>	<u>21,744,231</u>	<u>50,979</u>	<u>31,854,081</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 September 30, 2018	<u>\$ 2,306,429</u>	<u>7,393,848</u>	<u>537,908</u>	<u>36,886</u>	<u>10,275,071</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 1.18%~5.87% and 1.13%~6.27% for the nine months ended September 30, 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 retrospection	2,793,602	86,122	2,879,724
Termination before the expiration	(993,805)	(2,807)	(996,612)
Additions	1,875,368	37,998	1,913,366
Effect of changes in foreign exchange rates	<u>(10,861)</u>	<u>(4,268)</u>	<u>(15,129)</u>
Balance as of September 30, 2019	<u><u>\$ 3,664,304</u></u>	<u><u>117,045</u></u>	<u><u>3,781,349</u></u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2019	\$ -	-	-
Effects of retrospective application	<u>728,391</u>	<u>-</u>	<u>728,391</u>
Balance as of January 1, 2019 after retrospection	728,391	-	728,391
Depreciation	344,064	34,001	378,065
Termination before the expiration	(626,412)	(1,003)	(627,415)
Effect of changes in foreign exchange rates	<u>(1,141)</u>	<u>(1,214)</u>	<u>(2,355)</u>
Balance as of September 30, 2019	<u><u>\$ 444,902</u></u>	<u><u>31,784</u></u>	<u><u>476,686</u></u>
Carrying amount:			
Balance as of September 30, 2019	<u><u>\$ 3,219,402</u></u>	<u><u>85,261</u></u>	<u><u>3,304,663</u></u>

The Group's capital lease is classified as property, plant and equipment for the nine months ended September 30, 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 September 30, 2019	\$ <u>61,205</u>	<u>13,237</u>	<u>74,442</u>
Balance at January 1, 2018	\$ <u>46,448</u>	<u>17,412</u>	<u>63,860</u>
Balance at September 30, 2018	\$ <u>46,448</u>	<u>14,303</u>	<u>60,751</u>

There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the nine months ended September 30, 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:

2019.9.30			
	<u>Guarantee or Acceptance Agency</u>	<u>Annual Interest Rate</u>	<u>Amount</u>
Commercial paper payables	Bank	0.69%~1.15%	\$ 43,770,000
	Bills Finance Company	0.69%~1.24%	26,600,000
Less: Discount on short-term notes and bills payable			<u>(247,600)</u>
Total			<u>\$ 70,122,400</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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2018.9.30			
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
Commercial paper payables	Bank	0.73%~1.21%	\$ 37,320,000
	Bills Finance Company	0.72%~1.19%	29,280,000
Less: Discount on short-term notes and bills payable			(154,394)
Total			\$ 66,445,606

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:

2019.9.30				
	Currency	Annual Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	1.04%	2022	\$ 360,000
"	USD	3.00%~5.75%	2019~2022	943,106
"	THB	2.02%~3.15%	2019~2021	6,192,379
"	CNY	4.05%~6.17%	2019~2029	28,719,425
"	VND	3.30%~6.20%	2019~2020	6,359,140
"	MYR	4.90%~5.10%	2020~2022	3,204,900
Unsecured bank loans	TWD	0.80%~2.11%	2019~2027	80,719,853
"	USD	2.71%~5.00%	2019~2022	24,838,447
"	THB	1.72%~3.25%	2019~2022	21,729,911
"	CNY	4.51%~5.70%	2019~2022	48,588,084
"	EUR	0.75%~1.25%	2019	1,901,200
"	JPY	1.10%	2019	281,986
"	HKD	3.00%~3.05%	2019	142,485
"	SGD	3.35%	2019	89,879
"	MYR	4.40%~4.80%	2019~2020	2,706,360
"	PHP	4.90%~5.74%	2019~2020	407,681
"	AUD	2.75%	2019	251,581
"	KHR	6.00%~7.30%	2019~2020	52,294
Notes payable from securitization	TWD	1.90%~2.45%	2019~2021	3,562,770
Total				\$ 231,051,481
Current				\$ 170,445,178
Non-current				60,606,303
Total				\$ 231,051,481

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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><u>\$ 196,674,346</u></u>
Current				\$ 154,245,526
Non-current				<u>42,428,820</u>
Total				<u><u>\$ 196,674,346</u></u>

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2018.9.30				
	Currency	Annual Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	1.04%	2021	\$ 360,000
"	USD	3.00%~5.25%	2018~2019	1,534,320
"	THB	2.05%~3.30%	2018~2021	8,353,671
"	CNY	4.35%~5.94%	2018~2021	32,043,998
"	VND	3.60%~6.29%	2018~2019	4,250,006
Unsecured bank loans	TWD	0.79%~2.11%	2018~2027	61,371,234
"	USD	2.84%~5.00%	2018~2021	22,201,100
"	EUR	1.01%~1.25%	2018	674,122
"	THB	1.70%~3.40%	2018~2020	14,503,186
"	JPY	1.15%~1.25%	2018	158,846
"	CNY	4.35%~5.61%	2018~2021	29,482,424
"	HKD	2.65%	2018	31,209
"	MYR	4.50%~5.50%	2018~2019	3,308,134
"	GBP	1.65%	2018	159,601
"	PHP	4.50%~5.25%	2019	107,598
Notes payable from securitization	TWD	1.85%~2.65%	2019~2021	4,176,149
Total				\$ 182,715,598
Current				\$ 143,990,646
Non-current				38,724,952
Total				\$ 182,715,598

For information on the Group's interest risk, currency risk, and liquidity risk, please refer to Note (6)(v). 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.) Company, 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, the Company and this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, equity ratio, interest coverage ratio, total risk assets to net assets ratio, overdue leased assets to leased assets ratio, leasing rental recovery ratio, etc.) Otherwise, the loans are due and payable immediately.
- 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, the Company and Chailease Berjaya Credit Sdn Bhd., shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.

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	2019.9.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	900,000	None
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,500,000	-	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	1,350,000	-	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.11.09~ 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	"
2017.09.26~ 2020.09.26	1.05%	3,500,000	"	3,500,000	-	"

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Period	Annual Interest Rate	Principal Amount		Repayment Terms	2019.9.30		Collateral
					Within Operating Cycle	Beyond Operating Cycle	
2019.05.09~ 2024.05.09	0.98%	2,950,000		Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	2,950,000	None
2019.05.09~ 2026.05.09	1.150%	500,000		"	-	500,000	"
2019.05.29~ 2024.05.29	0.98%	2,850,000		"	-	2,850,000	"
2016.06.28~ 2020.06.29	3.250%	THB	200,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	204,100	-	"
2019.07.26~ 2022.07.26	3.150%	THB	500,000	"	-	510,250	"
2019.08.16~ 2022.08.16	3.150%	THB	200,000	"	-	204,100	"
2017.02.24~ 2020.02.28	2.950%	THB	100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	102,050	-	"
2017.04.27~ 2020.05.15	2.960%	THB	150,000	"	153,075	-	"
2017.07.07~ 2020.07.07	2.980%	THB	110,000	"	112,255	-	"
2017.08.08~ 2020.08.10	2.930%	THB	1,500,000	"	1,530,750	-	"
2018.02.15~ 2021.02.15	2.860%	THB	1,000,000	"	-	1,020,500	"
2018.03.20~ 2021.03.25	2.860%	THB	500,000	"	-	510,250	"
2018.09.13~ 2020.09.13	2.980%	THB	500,000	"	510,250	-	"
2019.01.30~ 2021.02.05	3.000%	THB	290,000	"	-	295,945	"
2019.02.28~ 2022.01.31	3.200%	THB	100,000	"	-	102,050	"
2019.05.17~ 2022.05.17	3.150%	THB	200,000	"	-	204,100	"
2019.06.19~ 2022.06.30	3.150%	THB	270,000	"	-	275,535	"
2019.07.12~ 2021.07.23	2.950%	THB	200,000	"	-	204,100	"
2019.08.08~ 2022.08.08	3.150%	THB	800,000	"	-	816,400	"
Bonds payable (Gross)					8,962,480	18,243,230	
Discounts on bonds payable					(801)	(2,839)	
					<u>\$ 8,961,679</u>	<u>18,240,391</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	1.050%	3,500,000	"	3,500,000	-	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000	"	-	700,000	"
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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					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	2018.9.30		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	"
2017.09.26~ 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.	284,550	-	"
2016.02.17~ 2019.02.21	2.970%	THB 100,000	"	94,850	-	"
2016.03.29~ 2019.04.03	2.920%	THB 155,000	"	147,018	-	"
2016.06.16~ 2019.06.11	2.930%	THB 100,000	"	94,850	-	"
2016.06.24~ 2019.03.21	2.920%	THB 300,000	"	284,550	-	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2018.9.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2016.07.13~ 2019.03.29	2.920%	THB 190,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	180,215	-	None
2016.07.25~ 2019.08.01	2.910%	THB 205,000	"	194,443	-	"
2016.07.28~ 2019.07.30	2.930%	THB 235,000	"	222,897	-	"
2016.06.28~ 2020.06.29	3.250%	THB 200,000	"	-	189,700	"
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	94,850	"
2017.04.27~ 2020.05.15	2.960%	THB 150,000	"	-	142,275	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	"	-	104,335	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	-	1,422,750	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	-	948,500	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	-	474,250	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	-	474,250	"
Bonds payable (Gross)				4,728,373	16,500,910	
Discounts on bonds payable				(227)	(2,866)	
				<u><u>\$ 4,728,146</u></u>	<u><u>16,498,044</u></u>	

(m) Lease liabilities

The Group's lease liability were as follows:

	2019.9.30
Current	<u><u>\$ 908,512</u></u>
Non-current	<u><u>\$ 2,411,581</u></u>

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

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The amounts recognized in profit or loss were as follows:

	For the three months ended September 30, 2019	For the nine months ended September 30, 2019
Interest on lease liabilities	\$ <u>13,093</u>	<u>35,454</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>30,508</u>	<u>75,668</u>
Expenses relating to short-term leases	\$ <u>93,358</u>	<u>259,626</u>

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

	For the nine months ended September 30, 2019
Total cash outflow for leases	\$ <u>810,326</u>

1. Real estate leases

As of September 30, 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 leasee is not reasonably certain to use an optional extended lease term, payments associated with the optional period are not included within lease liabilities.

2. Other leases

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

3. The operating leases rentals payable on December 31, 2018 and September 30, 2018, please refer to Note (6)(n).

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(n) Operating Leases

1. Leases entered into as lessee

Non-cancellable operating lease rentals payable were as follows:

	<u>2018.12.31</u>	<u>2018.9.30</u>
Less than one year	\$ 475,164	412,164
Between one year and five years	480,805	378,320
Beyond five years	<u>794,737</u>	<u>674,450</u>
	<u>\$ 1,750,706</u>	<u>1,464,934</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 September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Operating expenses	\$ <u>18,273</u>	<u>16,243</u>	<u>76,647</u>	<u>48,505</u>

2. Defined contribution plans

The pension costs incurred from the contributions were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Operating costs	\$ 484	519	1,555	1,547
Operating expenses	<u>64,349</u>	<u>56,969</u>	<u>187,467</u>	<u>149,564</u>
Total	<u>\$ 64,833</u>	<u>57,488</u>	<u>189,022</u>	<u>151,111</u>

(p) Income taxes

The components of income tax for the three months and the nine months ended September 30, 2019 and 2018 were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Total income tax expense from continuing operations	\$ <u>1,524,234</u>	<u>1,233,493</u>	<u>4,078,648</u>	<u>3,621,500</u>

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

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Components that may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	\$ <u>2,612</u>	<u>568</u>	<u>44,052</u>	<u>29,360</u>

(q) Share capital and other equity accounts

Except for the following, there were no significant changes in capital and other equity for the nine months ended September 30, 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 September 30, 2019 and 2018, the Company's authorized capital consisted of 1,500,000 thousand shares and issued shares worth \$13,282,000 and \$12,895,146, 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 September 30, 2019, December 31, 2018, and September 30, 2018, the Company has listed, 836,652, 812,485 and 829,486 units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. Major terms and conditions for GDRs were as follows:

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1) Exercise of voting rights

Holders of GDRs may exercise voting rights with respect to the common shares in the manner set out in "Terms and Conditions of the Global Depositary Shares-Voting Rights," as such provisions may be amended from time to time to comply with applicable ROC law.

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

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

2.Capital surplus

The components of capital surplus were as follows:

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</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>15,683</u>	<u>4,012</u>	<u>4,012</u>
	<u>\$ 17,379,467</u>	<u>17,367,796</u>	<u>17,367,796</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

During the shareholders' meetings on May 24, 2019 and May 24, 2018, the shareholders resolved to distribute the 2018 and 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		\$ 5,802,815		5,056,920

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 September 30,		For the nine months ended September 30,	
	2019	2018	2019	2018
Profit attributable to common stockholders of the Company	\$ <u>3,863,474</u>	<u>3,397,383</u>	<u>11,482,298</u>	<u>10,035,719</u>
Weighted average number of ordinary shares	\$ <u>1,328,200</u>	<u>1,328,200</u>	<u>1,328,200</u>	<u>1,328,200</u>
Weighted average number of ordinary shares (Diluted)	\$ <u>1,328,219</u>	<u>1,328,223</u>	<u>1,328,219</u>	<u>1,328,223</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 and the nine months ended September 30, 2019 and 2018, the Company estimated its employees' remuneration amounting to \$580, \$510, \$1,724 and \$1,506, and directors' remuneration amounting to \$2,706, \$2,379, \$8,043 and \$7,026, 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:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Net losses on disposal of foreclosed assets	\$ (36,389)	(34,277)	(113,437)	(95,125)
Impairment gains (losses) on foreclosed assets	(4,637)	(13,850)	3,552	(35,567)
Gains on doubtful debt recoveries	160,790	81,467	451,765	245,326
Others	(510)	8	21	8
	<u>\$ 119,254</u>	<u>33,348</u>	<u>341,901</u>	<u>114,642</u>

(u) Other gains and losses

The components of other gains and losses were as follows:

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Interest on lease liabilities	\$ (13,093)	-	(35,454)	-
Net foreign exchange (losses) gains	(55,146)	14,041	(44,611)	80,701
Net (losses) gains on disposal of property, plant and equipment	-	856	(955)	2,528
Net (losses) gains on valuation of financial assets measured at fair value through profit or loss	10,810	(548)	17,242	(15,557)
Effect of changes in lease contract	527	-	527	-
Others	126,975	114,964	668,280	552,616
	<u>\$ 70,073</u>	<u>129,313</u>	<u>605,029</u>	<u>620,288</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 September 30, 2019, December 31, 2018, and September 30, 2018, the maximum exposure to credit risks amounted to \$423,872,639, \$387,834,767 and \$367,498,986, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to \$89,246, \$103,735 and \$118,757 as of September 30, 2019, December 31, 2018, and September 30, 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>
September 30, 2019					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 184,429,195	128,498,096	37,197,351	1,535,533	351,660,175
Lifetime ECL	-	275,495	17,727,982	2,559,876	20,563,353
Past due or monitored					
Lifetime ECL	508,289	151,507	3,140,713	83,384	3,883,893
Impaired					
Lifetime ECL	<u>5,642,421</u>	<u>2,523,161</u>	<u>2,627,948</u>	<u>-</u>	<u>10,793,530</u>
Gross carrying amounts	<u>\$ 190,579,905</u>	<u>131,448,259</u>	<u>60,693,994</u>	<u>4,178,793</u>	<u>386,900,951</u>
Allowance for losses	<u>3,990,733</u>	<u>3,817,015</u>	<u>2,178,299</u>	<u>168,587</u>	<u>10,154,634</u>
Carrying amount	<u>\$ 186,589,172</u>	<u>127,631,244</u>	<u>58,515,695</u>	<u>4,010,206</u>	<u>376,746,317</u>

Taiwan

	<u>For the nine months ended September 30, 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	105,823	(7,279)	1,521,867	1,620,411
Bad debts written-off	-	-	(1,409,377)	(1,409,377)
Others	<u>1,587</u>	<u>-</u>	<u>2,886</u>	<u>4,473</u>
Balance at September 30, 2019	<u>\$ 1,628,209</u>	<u>39,546</u>	<u>2,322,978</u>	<u>3,990,733</u>

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China

	For the nine months ended September 30, 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	2,886,372	101,208	(2,159,461)	828,119
Transfer to lifetime ECL-not credit impaired	(173,570)	173,570	-	-
Transfer to lifetime ECL- credit impaired	(2,664,273)	(272,673)	2,936,946	-
Bad debts written-off	-	-	(1,078,704)	(1,078,704)
Others	(66,372)	(365)	(37,747)	(104,484)
Balance at September 30, 2019	<u>\$ 2,348,793</u>	<u>12,258</u>	<u>1,455,964</u>	<u>3,817,015</u>

ASEAN

	For the nine months ended September 30, 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 recognized	323,715	43,109	273,765	640,589
Transfer to lifetime ECL-not credit impaired	(149,057)	149,057	-	-
Transfer to lifetime ECL- credit impaired	(144,315)	(67,555)	211,870	-
Bad debts written-off	-	(1,010)	(191,737)	(192,747)
Others	14,039	14,720	73,348	102,107
Balance at September 30, 2019	<u>\$ 233,266</u>	<u>517,030</u>	<u>1,428,003</u>	<u>2,178,299</u>

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Others

	For the nine months ended September 30, 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 profit recognized	-	(52,235)	(254)	(52,489)
Others	-	2,527	71	2,598
Balance at September 30, 2019	<u>\$ -</u>	<u>168,587</u>	<u>-</u>	<u>168,587</u>

	Taiwan	China	ASEAN	Others	Total
December 31, 2018					
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 or monitored					
Lifetime ECL	498,284	27,452	2,397,480	-	2,923,216
Impaired					
Lifetime ECL	5,131,131	2,405,380	1,944,134	73,480	9,554,125
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	3,775,226	4,172,084	1,628,350	218,478	9,794,138
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

	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)	\$ 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	(31,382)	(435)	44,377	12,560
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			
	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 (profit) 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			
	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	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>

September 30, 2018

Gross loans and receivables:

	Taiwan	China	ASEAN	Others	Total
Neither past due nor impaired					
12-month ECL	\$ 170,168,437	101,234,905	30,251,432	1,223,936	302,878,710
Lifetime ECL	-	318,923	11,027,381	3,052,710	14,399,014
Past due or monitored					
Lifetime ECL	475,274	36,262	2,451,078	-	2,962,614
Impaired					
Lifetime ECL	5,229,547	2,422,239	2,068,272	164,007	9,884,065
Gross carrying amounts	<u>\$ 175,873,258</u>	<u>104,012,329</u>	<u>45,798,163</u>	<u>4,440,653</u>	<u>330,124,403</u>
Allowance for losses	3,947,282	4,171,826	1,737,380	210,313	10,066,801
Carrying amount	<u>\$ 171,925,976</u>	<u>99,840,503</u>	<u>44,060,783</u>	<u>4,230,340</u>	<u>320,057,602</u>

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Taiwan

	For the nine months ended September 30, 2018			Total
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	
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	172,819	14,539	1,440,629	1,627,987
Bad debts written-off	-	-	(1,381,002)	(1,381,002)
Others	(28,294)	(435)	39,139	10,410
Balance at September 30, 2018	<u>\$ 1,683,497</u>	<u>38,315</u>	<u>2,225,470</u>	<u>3,947,282</u>

China

	For the nine months ended September 30, 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	1,904,426	143,839	(1,210,572)	837,693
Transfer to lifetime ECL-not credit impaired	(27,213)	27,213	-	-
Transfer to lifetime ECL- credit impaired	(1,495,742)	(170,683)	1,666,425	-
Bad debts written-off	-	-	(706,259)	(706,259)
Others	(69,698)	(346)	(52,031)	(122,075)
Balance at September 30, 2018	<u>\$ 2,321,042</u>	<u>11,846</u>	<u>1,838,938</u>	<u>4,171,826</u>

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ASEAN

	For the nine months ended September 30, 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	67,025	67,590	183,638	318,253
Transfer to lifetime ECL-not credit impaired	(26,005)	26,005	-	-
Transfer to lifetime ECL- credit impaired	(8,467)	(61,809)	70,276	-
Bad debts written-off	-	-	(112,951)	(112,951)
Others	7,498	4,075	32,269	43,842
Balance at September 30, 2018	<u>\$ 248,862</u>	<u>362,151</u>	<u>1,126,367</u>	<u>1,737,380</u>

Others

	For the nine months ended September 30, 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	-	(40,407)	2,393	(38,014)
Transfer to lifetime ECL- credit impaired	-	(1,450)	1,450	-
Others	-	48,634	(96,987)	(48,353)
Balance at September 30, 2018	<u>\$ -</u>	<u>209,903</u>	<u>410</u>	<u>210,313</u>

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

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

3) Loans and receivables which were past due or monitored

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

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

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

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Past due up to 30 days	\$ 688,649	403,535	449,024
Past due from 31 to 90 days	3,045,148	2,320,591	2,305,228
Past due from 91 to 180 days	1,618	23,048	23,614
Past due over 180 days	<u>148,478</u>	<u>176,042</u>	<u>184,748</u>
	<u>\$ 3,883,893</u>	<u>2,923,216</u>	<u>2,962,614</u>

4) Impaired loans and receivables

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

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2. Liquidity risks

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>On demand</u>
September 30, 2019								
Non-derivative financial liabilities								
Secured bank loans	\$ 45,778,950	48,725,210	2,953,736	3,272,331	13,506,847	28,746,957	245,339	-
Unsecured bank loans	181,709,761	186,103,506	23,339,969	22,917,820	45,036,287	94,392,448	416,982	-
Notes payable from securitization	3,562,770	4,285,708	6,638	13,276	59,744	4,206,050	-	-
Short-term notes and bills payable	70,122,400	70,370,003	12,700,003	15,550,000	42,120,000	-	-	-
Bonds payables	27,202,070	28,465,139	47,583	55,985	7,959,303	18,056,648	2,345,620	-
Other payables	10,776,218	10,812,235	5,965,459	605,988	1,766,025	737,364	-	1,737,399
Deposits relating to collateral of customers	43,629,612	43,656,798	358,036	727,968	7,490,238	34,009,112	4,724	1,066,720
Lease liabilities	3,320,093	3,756,216	50,271	90,745	418,893	1,114,853	2,081,454	-
	<u>\$ 386,101,874</u>	<u>396,174,815</u>	<u>45,421,695</u>	<u>43,234,113</u>	<u>118,357,337</u>	<u>181,263,432</u>	<u>5,094,119</u>	<u>2,804,119</u>
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>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>On demand</u>
September 30, 2018								
Non-derivative financial liabilities								
Secured bank loans	\$ 46,541,995	47,529,218	3,905,493	3,264,748	17,824,842	22,534,135	-	-
Unsecured bank loans	131,997,454	134,240,589	27,740,417	15,411,728	34,394,032	56,403,849	290,563	-
Notes payable from securitization	4,176,149	4,408,486	89,587	13,276	59,744	4,245,879	-	-
Short-term notes and bills payable	66,445,606	66,600,000	16,580,000	21,520,000	28,500,000	-	-	-
Bonds payables	21,226,190	22,295,556	47,759	45,229	3,495,182	16,330,646	2,376,740	-
Other payables	9,299,893	9,331,858	4,572,047	761,608	943,920	633,407	-	2,420,876
Deposits relating to collateral of customers	35,874,178	35,911,378	759,433	2,114,828	8,721,728	23,449,414	4,412	861,563
Derivative financial liabilities								
Current financial liabilities for hedging	38,845	38,845	-	-	38,845	-	-	-
	<u>\$ 315,600,310</u>	<u>320,355,930</u>	<u>53,694,736</u>	<u>43,131,417</u>	<u>93,978,293</u>	<u>123,597,330</u>	<u>2,671,715</u>	<u>3,282,439</u>

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

3.Currency risks

1) Exposure to currency risks

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

2019.9.30				
<u>Financial assets</u>	<u>Foreign currency (In thousands)</u>	<u>Exchange rate</u>	<u>Functional currency</u>	
<u>Monetary items</u>				
USD	\$ 7,377.50	USD : TWD	31.0400	228,998
	51,673.86	USD : GBP	0.8126	1,603,957
	5,130.40	USD : VND	25,653	159,248
JPY	1,238,285.90	JPY : USD	0.0093	356,379
EUR	62,058.27	EUR : USD	1.0938	2,106,878
HKD	63,274.94	HKD : USD	0.1275	250,442
AUD	12,050.24	AUD : USD	0.6754	252,633
SGD	4,279.98	SGD : USD	0.7239	96,171

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2019.9.30				
	Foreign currency (In thousands)		Exchange rate	Functional currency
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	3,405.44	USD : VND	25,653	105,705
	51,673.86	USD : GBP	0.8126	1,603,957
JPY	980,000.00	JPY : USD	0.0093	281,986
EUR	56,000.00	EUR : USD	1.0938	1,901,200
HKD	36,000.00	HKD : USD	0.1275	142,485
AUD	12,000.00	AUD : USD	0.6754	251,580
SGD	4,000.00	SGD : USD	0.7239	89,879

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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2018.9.30					
		Foreign currency (In thousands)	Exchange rate		Functional currency
<u>Financial assets</u>					
<u>Monetary items</u>					
USD	\$	11,301.77	USD : TWD	30.5250	344,987
		42,609.97	USD : GBP	0.7650	1,300,669
		4,986.42	USD : VND	25,438	152,210
JPY		746,750.75	JPY : USD	0.0088	201,025
EUR		22,204.08	EUR : USD	1.1623	787,801
GBP		4,548.69	GBP : USD	1.3071	181,493
<u>Financial liabilities</u>					
<u>Monetary items</u>					
USD		5,251.89	USD : VND	25,438	160,314
		42,609.97	USD : GBP	0.7650	1,300,669
JPY		590,066.85	JPY : USD	0.0088	158,846
EUR		19,000.07	EUR : USD	1.1623	674,122
GBP		4,000.01	GBP : USD	1.3071	159,601

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 \$94,604 and \$77,759, for the nine months ended September 30, 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 nine months ended September 30, 2019 and 2018, the foreign currency (loss) gain, including realized and unrealized, amounted to \$(44,611) and \$80,701, 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 September 30, 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	0.69 %	\$ 19,264,865	14,005,085	3,257,797	-	-	2,001,983
Debt securities	5.83 %	11,695,557	-	4,274,382	7,421,175	-	-
Total accounts receivables	9.74 %	387,028,535	41,831,214	174,494,584	161,614,631	2,483,886	6,604,220
Current financial assets for hedging	1.52 %	821,392	-	821,392	-	-	-
		418,810,349	55,836,299	182,848,155	169,035,806	2,483,886	8,606,203
Financial liabilities							
Secured bank loans	4.87 %	45,778,950	39,501,295	3,277,666	2,999,989	-	-
Unsecured bank loans	2.90 %	181,709,761	118,568,778	31,396,402	31,504,998	239,583	-
Short-term notes and bills payable	0.91 %	70,122,400	18,659,675	51,462,725	-	-	-
Bonds payables	1.68 %	27,202,070	-	7,611,679	17,290,391	2,300,000	-
Notes payable from securitization	1.95 %	3,562,770	-	-	3,562,770	-	-
Deposits relating to collateral of customers	0.12 %	43,629,612	-	4,321,944	7,505,024	2,262	31,800,382
Lease liabilities	1.65 %	3,320,093	-	520,333	1,002,485	1,797,275	-
		375,325,656	176,729,748	98,590,749	63,865,657	4,339,120	31,800,382
Net exposure		\$ 43,484,693	(120,893,449)	84,257,406	105,170,149	(1,855,234)	(23,194,179)

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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	38,431,321	3,040,708	4,999,163	-	-
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	158,403,126	77,817,957	53,632,534	2,565,015	28,648,370
Net exposure		\$ 61,743,312	(104,736,031)	84,396,233	104,496,246	(54,461)	(22,358,675)
Ending balance as of September 30, 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	0.60 %	\$ 18,644,060	15,760,246	2,444,326	-	-	439,488
Debt securities	5.84 %	13,917,021	-	7,040,983	6,876,038	-	-
Total accounts receivables	9.42 %	330,327,922	37,336,842	140,973,326	143,782,513	2,270,429	5,964,812
Current financial assets for hedging	2.08 %	197,225	-	197,225	-	-	-
		363,086,228	53,097,088	150,655,860	150,658,551	2,270,429	6,404,300
Financial liabilities							
Secured bank loans	4.61 %	46,541,995	37,828,324	3,993,185	4,720,486	-	-
Unsecured bank loans	2.66 %	131,997,454	84,635,056	28,375,496	18,717,319	269,583	-
Short-term notes and bills payable	0.92 %	66,445,606	30,960,624	35,484,982	-	-	-
Bonds payables	1.76 %	21,226,190	-	3,228,146	15,698,044	2,300,000	-
Current financial liabilities for hedging	1.11 %	38,845	-	38,845	-	-	-
Notes payable from securitization	1.95 %	4,176,149	-	-	4,093,200	-	82,949
Deposits relating to collateral of customers	0.16 %	35,874,178	-	3,215,611	5,829,382	4,180	26,825,005
		306,300,417	153,424,004	74,336,265	49,058,431	2,573,763	26,907,954
Net exposure		\$ 56,785,811	(100,326,916)	76,319,595	101,600,120	(303,334)	(20,503,654)

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

If the interest rate increases or decreases by 0.25%, the Group's profit will decrease or increase by \$175,357 and \$212,891 for the nine months ended September 30, 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:

	For the nine months ended September 30,			
	2019		2018	
	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Equity price at reporting date				
Increase 7%	\$ <u>61,469</u>	<u>23,861</u>	<u>68,412</u>	<u>15,776</u>
Decrease 7%	\$ <u>(61,469)</u>	<u>(23,861)</u>	<u>(68,412)</u>	<u>(15,776)</u>

6. Fair value information

1) The Categories and Fair Values of Financial Instruments

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

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	September 30, 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	\$ 340,871	269,867	-	71,004	340,871
Financial assets for hedging	821,392	-	821,392	-	821,392
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	772,146	768,746	3,400	-	772,146
Measure the fair value of unquoted equity instruments	105,034	-	-	105,034	105,034
Sub-total	877,180	768,746	3,400	105,034	877,180
Financial assets at amortized cost	11,625,033	-	-	-	-
Loans and receivable					
Cash and cash equivalents	19,264,865	-	-	-	-
Accounts receivable	376,835,563	-	-	-	-
Other financial assets	2,202,232	-	-	-	-
Refundable deposits	338,025	-	-	-	-
Restricted bank deposits	3,220,855	-	-	-	-
Sub-total	401,861,540	-	-	-	-
Total	\$ 415,526,016	1,038,613	824,792	176,038	2,039,443
Measurement of financial liabilities at amortized cost					
Secured bank loans	\$ 45,778,950	-	-	-	-
Unsecured bank loans	181,709,761	-	-	-	-
Notes payable from securitization	3,562,770	-	-	-	-
Short-term notes and bills payable	70,122,400	-	-	-	-
Bonds payables	27,202,070	-	-	-	-
Other payables	10,776,218	-	-	-	-
Deposits relating to collateral of customers	43,629,612	-	-	-	-
Lease liabilities	3,320,093	-	-	-	-
Total	\$ 386,101,874	-	-	-	-

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	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
Financial assets at amortized cost	12,270,581	-	-	-	-
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	2,966,885	-	-	-	-
Sub-total	365,652,138	-	-	-	-
Total	\$ 379,970,225	1,093,654	98,050	855,802	2,047,506
Financial liabilities for hedging	\$ 6,022	-	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	37,859,884	-	-	-	-
Sub-total	331,210,855	-	-	-	-
Total	\$ 331,216,877	-	6,022	-	6,022

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	September 30, 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	\$ 1,023,021	225,374	-	797,647	1,023,021
Financial assets for hedging	197,225	-	197,225	-	197,225
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	871,369	867,858	3,511	-	871,369
Measure the fair value of unquoted equity instruments	105,069	-	-	105,069	105,069
Sub-total	976,438	867,858	3,511	105,069	976,438
Financial assets at amortized cost	13,917,021	-	-	-	-
Loans and receivable					
Cash and cash equivalents	18,644,060	-	-	-	-
Accounts receivable	320,176,359	-	-	-	-
Other financial assets	1,839,816	-	-	-	-
Refundable deposits	338,037	-	-	-	-
Restricted bank deposits	2,731,861	-	-	-	-
Sub-total	343,730,133	-	-	-	-
Total	\$ 359,843,838	1,093,232	200,736	902,716	2,196,684
Financial liabilities for hedging	\$ 38,845	-	38,845	-	38,845
Measurement of financial liabilities at amortized cost					
Secured bank loans	46,541,995	-	-	-	-
Unsecured bank loans	131,997,454	-	-	-	-
Notes payable from securitization	4,176,149	-	-	-	-
Short-term notes and bills payable	66,445,606	-	-	-	-
Bond payables	21,226,190	-	-	-	-
Other payables	9,299,893	-	-	-	-
Deposits relating to collateral of customers	35,874,178	-	-	-	-
Sub-total	315,561,465	-	-	-	-
Total	\$ 315,600,310	-	38,845	-	38,845

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

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

A. Financial assets at amortized cost

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

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

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

3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative Financial Instruments

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

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

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

B. Derivative Financial Instruments

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

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

	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 profit or loss	8,449	-	8,449
In other comprehensive income	-	1,474	1,474
Purchase	62,118	-	62,118
Disposal / Liquidate	(758,254)	(2,754)	(761,008)
Effect of movements in exchange rate	8,355	848	9,203
Ending balance, September 30, 2019	<u>\$ 71,004</u>	<u>105,034</u>	<u>176,038</u>

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	At fair value through profit or loss Non-derivative financial assets	At fair value through others comprehensive income Unquoted equity instruments	Total
Opening balance, January 1, 2018	\$ 595	94,577	95,172
Total gains and losses recognized:			
In profit or loss	(599)	-	(599)
In other comprehensive income	-	529	529
Reclassification	782,230	(350)	781,880
Purchase	-	9,554	9,554
Effect of movements in exchange rate	15,421	759	16,180
Ending balance, September 30, 2018	\$ <u>797,647</u>	<u>105,069</u>	<u>902,716</u>

For the nine months ended September 30, 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 September 30, 2019	2018	For the nine months ended September 30, 2019	2018
Total gains and losses recognized :				
In profit or loss, and presented in “other gains and losses” \$	(196)	(8)	8,449	(599)
In other comprehensive income, and presented in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	2,517	242	1,474	529

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

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

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Quantified information of significant unobservable inputs as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Non-observable Input</u>	<u>The Relationship between Significant Non-observable Input and Fair Value</u>
Financial assets at fair value through other comprehensive income - investments in debt instruments without active market	Net Asset Value Method	Net Asset Value	Not applicable
Financial assets at fair value through profit or loss without active market	Black-Scholes Model	Stock Return Volatility (3.52% on September 30, 2019)	The higher stock return volatility, the higher the fair value
"	Discounted Cash Flow Method	Discount Rate (1.05% on September 30, 2019)	The higher the discount rate, the lower the fair value

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

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

			Impact or Fair Value Change on Net income or loss	
			Favorable Change	Unfavorable Change
September 30, 2019				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 106	(106)
"	Stock Return Volatility	10%	-	-

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

(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.

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(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.

(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.

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Chung Hung Corp.	Affiliate
DMC Energy Management Services (Shenzhen) Co., Ltd.	"
C&E Engine Leasing Limited	"
CL Investment Partners Company 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.	"

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<u>Name of related parties</u>	<u>Relationship with the Group</u>
Chailease Youngster Foundation	Other related party
Advance Rental Care Co., Ltd.	"
Qin An Investment Consulting (Shanghai) Co., Ltd.	"
Shanghai Jiasheng Decoration Engineering Co., Ltd.	"
Yujia Investment Management Consulting (Shanghai) Co., Ltd.	"
Anywhere 2 Go Company Limited	"
Bangkok Bank Public Company Limited	"
Bangkok Granden Property Fund	"
Bangkok Insurance Public Company Limited	"
Enrich Management Consultants Ltd.	"
Grand Pacific Finance Corp. (N.Y.)	"
Sathorn City Tower Property Fund	"
Chailease Enterprise Co., Ltd.	"
Chailease Biofund Company Limited	"
Chun An Investment Co., Ltd.	"
Chun An Technology Co., Ltd.	"
Li Cheng Investment Co., Ltd.	"
Jen Chung Co., Ltd.	"
Ezfund Securities Investment Consulting Enterprise Ltd.	"

(c) Related-party transactions

1. Operating revenue

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

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Affiliates	\$ -	-	34	34
Other related parties	18,395	4,013	25,741	8,281
	<u>\$ 18,395</u>	<u>4,013</u>	<u>25,775</u>	<u>8,315</u>

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2. Receivables from related parties

Receivables of the Group from related parties were as follows :

<u>Account</u>	<u>Categories of related parties</u>	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Capital leases receivable	Other related parties \$	48,437	71,519	63,491
Other receivables	Other related parties	13,853	1,277	6
		<u>\$ 62,290</u>	<u>72,796</u>	<u>63,497</u>

3. Payable to related parties

Payable to related parties were as follows :

<u>Account</u>	<u>Categories of related parties</u>	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Other current financial liabilities	Other related parties \$	2,073	158	2,409

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 \$58,201 and \$13,177 for the nine months ended September 30, 2019 and 2018, respectively.

5. Related-Party Financing

Financing to affiliates and related parties was as follows :

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Affiliates	\$ 1,535,534	1,318,483	1,223,936
Other related parties	22,141	11,825	11,752
	<u>\$ 1,557,675</u>	<u>1,330,308</u>	<u>1,235,688</u>

The loans receivable from affiliates bear interest at rates ranging from 3.90% to 5.65%. As of September 30, 2019, December 31, 2018, and September 30, 2018, interest receivable from the loans receivable from affiliates amounted to \$9,955, \$10,230 and \$8,900, respectively. For the three months and the nine months ended September 30, 2019 and 2018, interest revenue from the loans receivable from affiliates amounted to \$16,878, \$15,581, \$49,477 and \$36,426, respectively.

The loans receivable from other related parties bear interest at rates ranging from 3.66% to 10.00%. As of September 30, 2019, December 31, 2018, and September 30, 2018, interest receivable from the loans receivable from other related parties amounted to \$86, \$104 and \$100, respectively. For the three months and the nine months ended September 30, 2019 and 2018, interest revenue from the loans receivable from other related parties amounted to \$309, \$151, \$835 and \$1,564, respectively.

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6. Interest bearing borrowings

Borrowings of the Group from related parties were as follows :

	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</u>
Other related parties	\$ <u>4,388,150</u>	<u>4,603,976</u>	<u>3,365,700</u>

The borrowings from other related parties bear interest at rates ranging from 3.05% to 3.25%. As of September 30, 2019, December 31, 2018, and September 30, 2018, interest payable from the interest bearing borrowings from other related parties amounted to \$381, \$2,255 and \$4,853, respectively. For the three months and the nine months ended September 30, 2019 and 2018, interest expense from the interest bearing borrowing from other related parties amounted to \$31,358, \$47,656, \$89,789 and \$90,290, respectively.

7. Guarantee

As of September 30, 2019, December 31, 2018, and September 30, 2018, the Group had provided a guarantee for loans taken out by affiliates and the credit limit of the guarantee was \$97,875, \$100,620 and \$99,810, and the actual drawn amount was \$10,758, \$14,128 and \$14,778, respectively.

8. Leases

- 1) In November 2017, the Group rented an office building from other related parties. A four and half years lease contract was signed, in which the rental fee was determined based on nearby office rental rates. The total value of the contract was \$80,141. Rental expenses for the nine months ended September 30, 2018 amounted to \$21,215. 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 nine months ended September 30, 2019, the Group recognized the amount of \$943 as interest expense. As of September 30, 2019, the balance of lease liabilities amounted to \$29,501.
- 2) For the three months and the nine months ended September 30, 2019 and 2018, rent expense is not included in rent liabilities that from other related parties amounted to \$473, \$1,806, \$3,110 and \$2,993, respectively.

9. Others

- 1) As of September 30, 2019, December 31, 2018, and September 30, 2018 bank deposits in financial institutions which are other related parties of the Group amounted to \$430,915, \$196,087 and \$284,648, respectively. For the three months and the nine months ended September 30, 2019 and 2018, interest revenue from the deposits in other related parties amounted to \$3, \$0, \$237 and \$164, respectively.
- 2) Other expense with related parties :

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
<u>Other related parties</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Other operating costs and expenses	\$ <u>54,064</u>	<u>23,450</u>	<u>130,694</u>	<u>77,312</u>

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(d) Key management personnel compensation

	<u>For the three months ended September 30,</u>		<u>For the nine months ended September 30,</u>	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Short-term employee benefits \$	79,312	66,890	239,730	205,192
Post-employment benefits	597	593	1,813	1,909
\$	<u>79,909</u>	<u>67,483</u>	<u>241,543</u>	<u>207,101</u>

(8) Pledged Assets

The carrying values of pledged assets were as follows:

<u>Pledged assets</u>	<u>Object</u>	<u>2019.9.30</u>	<u>2018.12.31</u>	<u>2018.9.30</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)	\$ 3,206,612	2,938,269	2,723,281
Property, plant and equipment	As guarantee for short-term and long-term borrowings	2,173,865	2,240,524	2,241,861
Equity securities	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	1,190	1,255	1,259
Refundable deposits	Provincial court seizure etc.	65,577	98,730	107,232
Accounts receivable and notes receivable	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	117,301,378	110,791,429	99,492,806
Total		<u>\$ 122,748,622</u>	<u>116,070,207</u>	<u>104,566,439</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 September 30, 2019, December 31, 2018, and September 30, 2018, the balance of unexpired payments from these alliance transactions amounted to \$7,972,486, \$7,898,635 and \$7,621,262, 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.

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

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

(12) **Other**

(a) Liquidity analysis of assets and liabilities :

	2019.9.30		
	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	\$ 19,264,865	-	19,264,865
Current financial assets at fair value through profit or loss	270,347	-	270,347
Current financial assets at amortized cost	4,274,382	5,723,155	9,997,537
Current financial assets for hedging	821,392	-	821,392
Accounts receivable, net	194,823,205	104,628,458	299,451,663
Other current financial assets	4,972,788	101,047	5,073,835
Other current assets	<u>5,635,228</u>	<u>-</u>	<u>5,635,228</u>
	<u>\$ 230,062,207</u>	<u>110,452,660</u>	<u>340,514,867</u>
<u>Current liabilities</u>			
Short-term borrowings	\$ 56,662,676	-	56,662,676
Short-term notes and bills payable	70,122,400	-	70,122,400
Accounts and notes payable	3,390,686	910	3,391,596
Current tax liabilities	1,355,016	-	1,355,016
Current lease liabilities	520,333	388,179	908,512
Other current financial liabilities	16,023,785	26,106,749	42,130,534
Long-term liabilities, current portion	58,800,791	63,943,390	122,744,181
Other current liabilities	<u>2,843,028</u>	<u>-</u>	<u>2,843,028</u>
	<u>\$ 209,718,715</u>	<u>90,439,228</u>	<u>300,157,943</u>

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	2018.12.31		
	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	\$ 17,579,967	-	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	<u>5,062,848</u>	<u>-</u>	<u>5,062,848</u>
	<u>\$ 195,032,624</u>	<u>107,511,007</u>	<u>302,543,631</u>
<u>Current liabilities</u>			
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 and notes 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	<u>1,369,584</u>	<u>20,464</u>	<u>1,390,048</u>
	<u>\$ 193,524,695</u>	<u>79,288,446</u>	<u>272,813,141</u>

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	2018.9.30	
	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	\$ 18,644,060	-
Current financial assets at fair value through profit or loss	1,023,021	-
Current financial assets at amortized cost	7,040,983	5,268,008
Current financial assets for hedging	197,225	-
Accounts receivable, net	153,504,807	95,696,013
Inventories	52,829	-
Other current financial assets	4,244,113	-
Other current assets	5,552,975	-
	<u>\$ 190,260,013</u>	<u>100,964,021</u>
<u>Current liabilities</u>		
Short-term borrowings	\$ 50,346,008	-
Short-term notes and bills payable	66,445,606	-
Current financial liability for hedging	38,845	-
Accounts and notes payable	3,845,397	1,400
Current tax liabilities	1,512,034	-
Other current financial liabilities	14,641,502	20,245,238
Long-term liabilities, current portion	53,072,855	45,299,929
Other current liabilities	1,618,102	-
	<u>\$ 191,520,349</u>	<u>65,546,567</u>

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

By function		For the three months ended September 30, 2019			For the three months ended September 30, 2018		
By item		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		13,467	1,549,412	1,562,879	15,726	1,298,729	1,314,455
Labor and health insurance		1,011	94,738	95,749	1,085	77,621	78,706
Pension		484	82,622	83,106	519	73,212	73,731
Others		-	122,940	122,940	-	99,449	99,449
Depreciation		806,722	139,858	946,580	534,812	30,202	565,014
Amortization		-	46,410	46,410	-	46,199	46,199

By function		For the nine months ended September 30, 2019			For the nine months ended September 30, 2018		
By item		Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits							
Salary		42,930	4,515,119	4,558,049	47,715	3,768,473	3,816,188
Labor and health insurance		3,259	289,247	292,506	3,258	240,923	244,181
Pension		1,555	264,114	265,669	1,547	198,069	199,616
Others		-	333,995	333,995	-	282,917	282,917
Depreciation		2,324,100	414,491	2,738,591	1,571,060	90,980	1,662,040
Amortization		-	143,051	143,051	-	119,050	119,050

(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 nine months ended September 30, 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	Chailease Finance Co., Ltd.	A	Other receivables	No	458,000	458,000	458,000	0.03%-19.95%	2	-	Working Capital	5,725	None	-	3,113,208	49,811,325
"	"	B	"	No	253,000	253,000	253,000	0.03%-19.95%	2	-	Working Capital	3,163	None	-	3,113,208	49,811,325
"	"	C	"	No	285,998	249,560	191,110	0.03%-19.95%	2	-	Working Capital	2,389	None	-	3,113,208	49,811,325
"	"	D	"	No	207,700	207,700	207,700	0.03%-19.95%	2	-	Working Capital	2,596	None	-	3,113,208	49,811,325
"	"	E	"	No	200,000	187,470	187,470	0.03%-19.95%	1	206,300	-	2,343	None	-	3,113,208	49,811,325

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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	Chailase Finance Co., Ltd.	F	Other receivables	No	30,139	3,616	3,616	0.03%-19.95%	1	30,139	-	43	None	-	3,113,208	49,811,325
		F-1		No	270,260	162,851	162,851	0.03%-19.95%	2	-	Working Capital	2,036	None	-	3,113,208	49,811,325
		G		No	140,399	140,386	77,436	0.03%-19.95%	2	-	Working Capital	968	None	-	3,113,208	49,811,325
		H		No	20,000	-	-	0.03%-19.95%	1	30,000	-	-	Properties	9,267	3,113,208	49,811,325
		H-1		No	289,499	137,954	137,954	0.03%-19.95%	2	-	Working Capital	1,724	None	-	3,113,208	49,811,325
		I		No	150,000	137,625	137,625	0.03%-19.95%	2	-	Working Capital	1,720	None	-	3,113,208	49,811,325
		J		No	135,100	135,100	135,100	0.03%-19.95%	2	-	Working Capital	1,689	None	-	3,113,208	49,811,325
		K		No	130,000	130,000	66,250	0.03%-19.95%	2	-	Working Capital	828	None	-	3,113,208	49,811,325
		L		No	140,000	129,500	129,500	0.03%-19.95%	1	410,000	-	1,619	None	-	3,113,208	49,811,325
		M		No	133,065	117,598	117,598	0.03%-19.95%	1	255,212	-	1,470	None	-	3,113,208	49,811,325
		N		No	74,000	54,000	54,000	0.03%-19.95%	1	211,000	-	675	None	-	3,113,208	49,811,325
		N-1		No	60,000	60,000	30,000	0.03%-19.95%	2	-	Working Capital	375	None	-	3,113,208	49,811,325
		O		No	80,333	10,255	10,255	0.03%-19.95%	1	549,750	-	128	None	-	3,113,208	49,811,325
		O-1		No	103,684	103,684	103,684	0.03%-19.95%	2	-	Working Capital	1,296	None	-	3,113,208	49,811,325
		P		No	95,000	73,000	73,000	0.03%-19.95%	1	284,000	-	913	None	-	3,113,208	49,811,325
		P-1		No	40,000	40,000	40,000	0.03%-19.95%	2	-	Working Capital	500	None	-	3,113,208	49,811,325
		Q		No	234,200	110,200	110,200	0.03%-19.95%	2	-	Working Capital	1,378	None	-	3,113,208	49,811,325
		R		No	103,700	103,700	103,700	0.03%-19.95%	2	-	Working Capital	1,296	None	-	3,113,208	49,811,325
		S		No	96,000	96,000	96,000	0.03%-19.95%	2	-	Working Capital	1,200	None	-	3,113,208	49,811,325
		T		No	90,000	90,000	90,000	0.03%-19.95%	2	-	Working Capital	1,125	None	-	3,113,208	49,811,325
		Summary of other clients		No	11,379,332	6,467,212	6,181,812	0.03%-19.95%	1	35,175,516	-	77,273	Bank Deposits/Stocks/Properties	374,475	3,113,208	49,811,325
				No	24,000,028	14,854,519	13,339,074	0.03%-19.95%	2	-	Working Capital	302,770	Bank Deposits/Stocks/Fund/Beneficiary certificate/Equipment/Properties	1,743,214	3,113,208	49,811,325
2	Fina Finance & Trading Co., Ltd.	A	Other receivables	No	230,000	228,364	228,364	1.5747%-19.7800%	2	-	Working Capital	2,284	Properties	195,049	1,278,738	20,459,808
		B		No	150,000	149,992	149,992	1.5747%-19.7800%	2	-	Working Capital	1,500	None	-	1,278,738	20,459,808
		C		No	172,002	118,434	118,434	1.5747%-19.7800%	2	-	Working Capital	1,184	None	-	1,278,738	20,459,808
		D		No	93,707	66,740	66,740	1.5747%-19.7800%	2	-	Working Capital	667	None	-	1,278,738	20,459,808
		D-1		No	26,792	13,386	13,386	1.5747%-19.7800%	1	19,400	-	134	None	-	1,278,738	20,459,808
		E		No	71,500	65,364	65,364	1.5747%-19.7800%	1	57,028	-	654	None	-	1,278,738	20,459,808
		F		No	62,000	60,447	60,447	1.5747%-19.7800%	2	-	Working Capital	604	Properties	51,908	1,278,738	20,459,808
		G		No	55,000	54,945	54,945	1.5747%-19.7800%	2	-	Working Capital	549	Properties	17,934	1,278,738	20,459,808
		G-1		No	38,004	5,200	-	1.5747%-19.7800%	1	17,000	-	-	Properties	17,934	1,278,738	20,459,808
		H		No	61,517	54,745	51,745	1.5747%-19.7800%	2	-	Working Capital	517	Properties	50,619	1,278,738	20,459,808
		I		No	53,708	52,265	52,265	1.5747%-19.7800%	2	-	Working Capital	523	Properties	50,000	1,278,738	20,459,808
		J		No	73,693	48,759	48,759	1.5747%-19.7800%	1	46,000	-	488	None	-	1,278,738	20,459,808
		Summary of other clients		No	7,456,307	4,505,151	4,117,931	1.5747%-19.7800%	2	-	Working Capital	69,678	Bank Deposits/Stocks/Properties/Vehicles	1,248,311	1,278,738	20,459,808
				No	2,086,128	1,241,039	1,182,539	1.5747%-19.7800%	1	2,275,162	-	34,825	Properties/Vehicles/Ships	391,556	1,278,738	20,459,808
		Chuang Ju Limited Partnership		Yes	1,200,000	1,200,000	-	1.5747%-19.7800%	2	-	Working Capital	-	None	-	1,278,738	20,459,808
3	Chailase Consumer Finance Co., Ltd.	A	Other receivables	No	4,000	1,045	1,045	2%-19%	2	-	Working Capital	4	None	-	374,961	3,749,610
		B		No	1,200	911	911	2%-19%	2	-	Working Capital	3	None	-	374,961	3,749,610
		C		No	1,000	680	680	2%-19%	1	1,400	-	2	None	-	374,961	3,749,610
		D		No	600	600	600	2%-19%	2	-	Working Capital	2	None	-	374,961	3,749,610
		E		No	500	389	389	2%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
		F		No	528	361	361	2%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
		G		No	1,000	356	356	2%-19%	2	-	Working Capital	11	None	-	374,961	3,749,610
		H		No	300	269	269	2%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
		I		No	350	259	259	2%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610
		J		No	556	255	255	2%-19%	2	-	Working Capital	1	None	-	374,961	3,749,610

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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		
3	Chailase Consumer Finance Co., Ltd.	Summary of other clients	Other receivables	No	944	349	349	2%-19%	1	15,103	-	1	None	-	374,961	3,749,610
"	"	"	"	No	3,545	811	811	2%-19%	2	-	Working Capital	5	None	-	374,961	3,749,610
"	"	Chuang Ju Limited Partnership	"	Yes	300,000	300,000	300,000	2%-19%	2	-	Working Capital	-	None	-	374,961	3,749,610
4	Chailase International Finance Corporation	A	Receivable-short term financing	No	43,500	43,500	43,500	4.35%-17%	2	-	Working Capital	-	None	-	1,110,831	8,886,651
"	"	B	"	No	26,100	26,100	26,100	4.35%-17%	2	-	Working Capital	-	None	-	1,110,831	8,886,651
"	"	C	"	No	23,055	23,055	23,055	4.35%-17%	2	-	Working Capital	-	None	-	1,110,831	8,886,651
"	"	D	Receivables-business relationship	No	22,824	22,824	1,074	4.35%-17%	1	39,150	-	40	None	-	1,110,831	8,886,651
"	"	E	Receivable-short term financing	No	26,100	21,750	21,750	4.35%-17%	2	-	Working Capital	208	None	-	1,110,831	8,886,651
"	"	F	"	No	21,025	20,435	20,435	4.35%-17%	2	-	Working Capital	184	None	-	1,110,831	8,886,651
"	"	G	"	No	21,750	19,938	19,938	4.35%-17%	2	-	Working Capital	100	None	-	1,110,831	8,886,651
"	"	H	"	No	21,750	19,938	19,938	4.35%-17%	2	-	Working Capital	129	Vehicles	800	1,110,831	8,886,651
"	"	I	"	No	19,575	19,575	-	4.35%-17%	2	-	Working Capital	-	None	-	1,110,831	8,886,651
"	"	J	"	No	19,575	19,575	-	4.35%-17%	2	-	Working Capital	-	None	-	1,110,831	8,886,651
"	"	Summary of other clients	"	No	1,075,047	724,257	627,034	4.35%-17%	2	-	Working Capital	20,899	Vehicles/Real estate/Equipment/Properties/Inventory	53,909	1,110,831	8,886,651
"	"	"	Receivables-business relationship	No	16,384	14,210	14,210	4.35%-17%	1	21,315	-	91	None	-	1,110,831	8,886,651
"	"	Chailase International Corp.	Receivables from related party	Yes	2,610,000	2,610,000	-	4.35%-17%	2	-	Working Capital	-	None	-	5,554,157	8,886,651
"	"	Chailase Finance International Corp.	"	Yes	1,305,000	1,305,000	217,500	4.35%-17%	2	-	Working Capital	-	None	-	5,554,157	8,886,651
5	Chailase Specialty Finance Co., Ltd.	A	Other receivables	No	425,596	254,000	225,500	0.10%-14.88%	2	-	Working Capital	3,608	None	-	3,113,208	5,318,151
"	"	B	"	No	164,150	92,000	92,000	0.10%-14.88%	2	-	Working Capital	1,472	None	-	3,113,208	5,318,151
"	"	C	"	No	70,000	61,250	61,250	0.10%-14.88%	2	-	Working Capital	980	None	-	3,113,208	5,318,151
"	"	D	"	No	60,000	60,000	60,000	0.10%-14.88%	2	-	Working Capital	960	None	-	3,113,208	5,318,151
"	"	E	"	No	50,000	50,000	20,000	0.10%-14.88%	2	-	Working Capital	320	None	-	3,113,208	5,318,151
"	"	F	"	No	50,000	50,000	50,000	0.10%-14.88%	2	-	Working Capital	800	None	-	3,113,208	5,318,151
"	"	G	"	No	80,000	48,000	48,000	0.10%-14.88%	2	-	Working Capital	768	None	-	3,113,208	5,318,151
"	"	H	"	No	45,000	45,000	45,000	0.10%-14.88%	2	-	Working Capital	720	None	-	3,113,208	5,318,151
"	"	I	"	No	63,000	44,800	44,800	0.10%-14.88%	2	-	Working Capital	717	None	-	3,113,208	5,318,151
"	"	J	"	No	85,000	42,500	42,500	0.10%-14.88%	2	-	Working Capital	680	None	-	3,113,208	5,318,151
"	"	Summary of other clients	"	No	1,555,287	606,329	571,329	0.10%-14.88%	2	-	Working Capital	9,563	Properties	39,124	3,113,208	5,318,151
6	Chailase Finance Securitization Trust 2016	A	"	No	37,957	16,482	16,482	4.01%-15.90%	2	-	Working Capital	132	Bank Deposits	4,000	49,738	880,589
"	"	B	"	No	25,260	12,319	12,319	4.01%-15.90%	1	39,405	-	99	Bank Deposits	25,600	49,738	880,589
"	"	C	"	No	18,212	8,955	8,955	4.01%-15.90%	2	-	Working Capital	72	Bank Deposits	6,900	49,738	880,589
"	"	D	"	No	9,883	8,794	8,794	4.01%-15.90%	1	12,000	-	70	None	-	49,738	880,589
"	"	E	"	No	15,154	8,529	8,529	4.01%-15.90%	2	-	Working Capital	68	None	-	49,738	880,589
"	"	F	"	No	15,345	8,355	8,355	4.01%-15.90%	2	-	Working Capital	67	Bank Deposits	4,500	49,738	880,589
"	"	G	"	No	16,504	7,728	7,728	4.01%-15.90%	2	-	Working Capital	62	Bank Deposits	2,000	49,738	880,589
"	"	H	"	No	10,387	7,532	7,532	4.01%-15.90%	2	-	Working Capital	60	None	-	49,738	880,589
"	"	I	"	No	14,477	7,139	7,139	4.01%-15.90%	2	-	Working Capital	57	Bank Deposits	3,000	49,738	880,589
"	"	J	"	No	10,416	5,747	5,747	4.01%-15.90%	2	-	Working Capital	46	Bank Deposits	2,400	49,738	880,589

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
6	Chailase Finance Securitization Trust 2016	Summary of other clients	Other receivables	No	582,974	227,377	227,377	4.01%-15.90%	2	-	Working Capital	5,262	Bank Deposits	102,810	49,738	880,589
-	-	-	-	No	40,158	19,844	19,844	4.01%-15.90%	1	215,794	-	159	Bank Deposits	11,860	49,738	880,589
7	Chailase International Finance Corp.	Chailase International Finance Corporation	Receivables from related party	Yes	870,000	870,000	870,000	4.35%	2	-	Working Capital	-	None	-	899,020	1,438,432
-	-	Chailase International Finance Corp.	-	Yes	435,000	435,000	217,500	4.35%	2	-	Working Capital	-	None	-	899,020	1,438,432
8	Chailase International Finance Corp.	Chailase International Finance Corporation	-	Yes	870,000	870,000	-	4.35%	2	-	Working Capital	-	None	-	924,684	1,479,495
-	-	Chailase International Finance Corp.	-	Yes	435,000	435,000	-	4.35%	2	-	Working Capital	-	None	-	924,684	1,479,495

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 Chailase Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$3,113,208).

(2)Subsidiary— The maximum fund loaning provided by Fina Finance & Trading Co., Ltd. for individual entity cannot exceed 10% of net worth (\$1,278,738).

(3)Subsidiary— The maximum fund loaning provided by Chailase Consumer Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$374,961).

(4)Subsidiary— The maximum fund loaning provided by Chailase International Finance Corporation for individual entity cannot exceed 5% of net worth (\$1,110,831). The maximum fund loaning cannot exceed 25% of net worth (\$5,554,157) to individual affiliate.

(5)Subsidiary— The maximum fund loaning provided by Chailase Specialty Finance Co., Ltd. for individual entity cannot exceed 10% of net worth (\$3,113,208) of parent company (Chailase Finance Co., Ltd.).

(6)Special purpose entities— The maximum fund loaning provided by Chailase 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 Chailase International Corp. for individual entity cannot exceed 5% of net worth (\$179,804). The maximum fund loaning cannot exceed 25% of net worth (\$899,020) to individual affiliate.

(8)Subsidiary— The maximum fund loaning provided by Chailase Finance International Corp. for individual entity cannot exceed 5% of net worth (\$184,937). The maximum fund loaning cannot exceed 25% of net worth (\$924,684) to individual affiliate.

Note 3: Limit on the amount for loaning fund

(1)Subsidiary— Total amount of fund loaning provided by Chailase Finance Co., Ltd. cannot exceed 160% of net worth (\$49,811,325), total amount of fund loaning for short-term financing cannot exceed net worth (\$31,132,077) 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 (\$20,459,808), total amount of fund loaning for short-term financing cannot exceed net worth (\$12,787,380) of the most recent financial statement.

(3)Subsidiary— Total amount of fund loaning provided by Chailase 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 Chailase International Finance Corporation cannot exceed 40% of net worth (\$8,886,651) of the most recent financial statement.

(5)Subsidiary— Total amount of fund loaning provided by Chailase 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 Chailase 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 Chailase International Corp. cannot exceed 40% of net worth (\$1,438,432) of the most recent financial statement.

(8)Subsidiary— Total amount of fund loaning provided by Chailase Finance International Corp. cannot exceed 40% of net worth (\$1,479,495) of the most recent financial statement.

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Note 4: Counter parties

- (1)Subsidiary— Chailase Finance Co., Ltd.: There are 4,787 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 894 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (3)Subsidiary— Chailase Consumer Finance Co., Ltd.: There are 27 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (4)Subsidiary— Chailase International Finance Corporation: There are 111 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (5)Subsidiary— Chailase Specialty Finance Co., Ltd.: There are 117 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (6)Special purpose entities— Chailase Finance Securitization Trust 2016: There are 124 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (7)Subsidiary— Chailase International Corp.: There is 2 counter party during the period.
- (8)Subsidiary— Chailase Finance International Corp.: There is 2 counter party during the period.

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

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 (Notes.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 (Note1)										
0	The Company	Chailase International Finance Corporation	2	132,766,880	35,628,925	35,628,925	22,097,925	-	53.67 %	331,917,200	Y		Y
"	"	Chailase International Leasing Company Limited	2	132,766,880	2,296,960	2,296,960	1,389,262	-	3.46 %	331,917,200	Y		
"	"	Golden Bridge (B.V.I.) Corp.	2	132,766,880	158,000	155,200	-	-	0.23 %	331,917,200	Y		
"	"	Chailase International Company (Malaysia) Limited	2	132,766,880	158,000	155,200	-	-	0.23 %	331,917,200	Y		
"	"	Chailase Berjaya Credit Sdn. Bhd	2	33,191,720	8,971,232	8,781,750	6,431,490	-	13.23 %	331,917,200	Y		
"	"	Chailase Royal Leasing Plc.	2	33,191,720	2,479,810	2,452,160	986,606	-	3.69 %	331,917,200	Y		
"	"	Chailase Royal Finance Plc.	2	33,191,720	1,098,650	1,086,400	275,014	-	1.64 %	331,917,200	Y		
"	"	Chailase Berjaya Finance Corporation	2	33,191,720	1,952,610	1,952,610	407,681	-	2.94 %	331,917,200	Y		
1	Chailase Finance Co., Ltd.	Chailase Finance (B.V.I.) Company, Ltd.	2	62,264,154	737,160	217,280	217,280	-	0.70 %	155,660,385	Y		
"	"	Chailase Auto Rental Co., Ltd.	2	62,264,154	5,222,000	5,016,000	2,770,000	-	16.11 %	155,660,385	Y		
"	"	Chailase Consumer Finance Co., Ltd.	2	62,264,154	4,865,000	4,865,000	900,000	-	15.63 %	155,660,385	Y		
"	"	Chailase Specialty Finance Co., Ltd.	2	62,264,154	600,000	500,000	-	-	1.61 %	155,660,385	Y		
"	"	Apex Credit Solutions Inc.	2	62,264,154	240,000	160,000	-	-	0.51 %	155,660,385	Y		
"	"	Chailase International Leasing Company Limited(Vietnam)	2	62,264,154	9,118,456	9,024,367	5,258,866	-	28.99 %	155,660,385	Y		
"	"	Chailase International Trading Company Limited(Vietnam)	2	62,264,154	1,318,575	1,304,300	211,768	-	4.19 %	155,660,385	Y		
"	"	Yun Tang Inc.	2	62,264,154	1,101,500	1,093,000	893,000	-	3.51 %	155,660,385	Y		

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No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement/ guarantee amount provided to each guaranteed party (Note3,5)	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 (Note1)										
1	Chailase Finance Co., Ltd.	Chailase Credit Services Co., Ltd.	2	62,264,154	36,000	36,000	15	-	0.12 %	155,660,385	Y		
-	-	Chailase Energy Integration Co., Ltd.	2	62,264,154	1,330,000	980,000	-	-	3.15 %	155,660,385	Y		
-	-	Chailase Power Technology Co., Ltd.	2	62,264,154	100,000	100,000	100,000	-	0.32 %	155,660,385	Y		
-	-	Grand Pacific Financing Corp.	2	66,383,440	3,390,120	3,352,320	836,528	-	10.77 %	155,660,385			
-	-	Chailase International Financial Services Co., Ltd.	2	66,383,440	39,329,894	39,329,894	17,560,123	-	126.33 %	155,660,385			
-	-	Chailase International Financial Services (Liberia) Co., Ltd.	2	66,383,440	107,503	-	-	-	%	155,660,385			
2	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	2	10,126,821	360,535	357,175	-	-	7.05 %	25,317,054	Y		
3	Chailase International Finance Corporation	Chailase International Corp.	2	44,433,257	9,528,934	9,336,498	2,578,699	-	42.02 %	111,083,143	Y		Y
-	-	Chailase Finance International Corp.	2	44,433,257	6,155,321	4,559,888	3,596,254	-	20.52 %	111,083,143	Y		Y
-	-	DMC Energy Management Services (Shenzhen) Co., Ltd.	4	11,108,314	103,568	97,875	10,758	-	0.44 %	111,083,143			Y
4	Grand Pacific Holding Corp.	Grand Pacific Financing Corp.	2	1,195,133	156,950	155,200	-	-	8.71 %	1,195,133	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 \$1,950,000. 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 and the total amount of guarantees and endorsements provided by Grand Pacific Holding Corp. cannot exceed five times of its capital.

Note 8: Subsidiary – The maximum guarantees and endorsements provided by 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.

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Note 9: The total amount of guarantees and endorsements provided by the Company for Chailease International Finance Corp. and Chailease International Corp. is CNY150,000 thousand (\$652,500). The total amount has been disclosed in the balance of guarantees and endorsements for Chailease International Corp.

Note 10: The total amount of guarantees and endorsements provided by the Company for Golden Bridge (B.V.I.) Corp. and Chailease International Company (Malaysia) Limited is USD10,000 thousand (\$310,400). The total amount has been adjusted.

Note 11: The total amount of guarantees and endorsements provided by the Company for Chailease Royal Finance Plc. and Chailease Royal Leasing Plc. is USD10,000 thousand (\$310,400). The total amount has been adjusted.

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.	Ta Chen Stainless Pipe Co., Ltd.	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	330	11,467	- %	11,467	
"	Fubon Financial Holding Co., Ltd.	"	"	380	16,929	- %	16,929	
"	Fubon SSE 180 ETF	"	"	300	9,246	- %	9,246	
"	GIGABYTE Technology Co., Ltd.	"	"	75	3,724	- %	3,724	
"	Micro-Star International Co., Ltd.	"	"	28	2,528	- %	2,528	
"	GSD Technologies Co., Ltd.	"	"	98	7,007	- %	7,007	
"	Hon Hai Precision Ind. Co., Ltd.	"	"	120	8,784	- %	8,784	
"	PixArt Imaging Inc.	"	"	40	4,460	- %	4,460	
"	Cathay FTSE China A50 ETF	"	"	325	6,968	- %	6,968	
"	China Life Insurance Co., Ltd.	"	"	400	9,840	- %	9,840	
"	Sinyi Realty Inc.	"	"	100	3,150	- %	3,150	
"	Forcera Materials Co., Ltd. (Former name : SIC Electronics Co., Ltd.)	"	"	130	480	- %	480	
"	LandMark Optoelectronics Corporation	"	"	50	12,825	- %	12,825	
"	Wistron NeWeb Corporation	"	"	93	7,589	- %	7,589	
"	Feng Tay Enterprises Co., Ltd.	"	"	41	9,122	- %	9,122	
"	Taiwan Hon Chuan Enterprise Co., Ltd.	"	"	150	8,295	- %	8,295	
"	Mediatek Inc.	"	"	33	12,177	- %	12,177	
"	Win Semiconductors Corp.	"	"	70	19,495	- %	19,495	
"	ADATA Technology Co., Ltd.	"	"	360	18,108	- %	18,108	
"	Sigurd Microelectronics Corp.	"	"	470	15,557	- %	15,557	
"	Taiwan Union Technology Corporation	"	"	105	14,910	- %	14,910	
"	Webi &Net Internet Services Inc.	"	"	250	-	10.53 %	-	(Note 2)
"	Skanhex Technology Inc.	"	"	5,273	-	4.53 %	-	(Note 2)

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Rosun Technologies Inc.	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	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)
"	TECO Nanotech Co., Ltd	"	"	95	-	0.38 %	-	(Note 2)
"	Deerport Ariation Corp.	"	"	-	-	10.48 %	-	(Note 2) shareholding less than 1,000 shares
"	Primax Electronics Ltd.	"	"	205	12,115	- %	12,115	
"	Posiflex Technology, Inc.	"	"	55	5,968	- %	5,968	
"	Eclat Textile Co., Ltd.	"	"	43	17,888	- %	17,888	
"	Unimicron Technology Corp.	"	"	315	13,750	- %	13,750	
"	Sitronix Technology Corp.	"	"	62	10,323	- %	10,323	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	Current financial assets at amortized cost	-	48,500	- %	48,500	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	165,000	- %	165,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	119,700	- %	119,700	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	164,200	- %	164,200	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	44,522	- %	44,522	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	500,000	- %	500,000	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	20,010	- %	20,010	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	320,312	- %	320,312	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	-	"	-	180,000	- %	180,000	
"	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	-	"	-	36,348	- %	36,348	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	-	"	-	24,635	- %	24,635	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	-	"	-	35,172	- %	35,172	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	93,552	- %	93,552	
"	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	—	"	-	57,485	- %	57,485	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	24,023	- %	24,023	
"	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	—	"	-	127,400	- %	127,400	
"	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	—	"	-	12,500	- %	12,500	
"	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	—	"	-	165,000	- %	165,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	173,600	- %	173,600	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	44,500	- %	44,500	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	808,341	- %	808,341	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	2,387	- %	2,387	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,200	- %	50,200	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	4,677	- %	4,677	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	23,000	- %	23,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	57,500	- %	57,500	
"	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	—	"	-	29,000	- %	29,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	18,400	- %	18,400	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	105,700	- %	105,700	
"	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	—	"	-	67,000	- %	67,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	56,500	- %	56,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	125,679	- %	125,679	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	280,935	- %	280,935	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	232,000	- %	232,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	168,300	- %	168,300	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	79,904	- %	79,904	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	45,000	- %	45,000	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	20,700	- %	20,700	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	241,385	- %	241,385	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	96,840	- %	96,840	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	197,515	- %	197,515	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	226,435	- %	226,435	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	60,980	- %	60,980	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	281,902	- %	281,902	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	29,310	- %	29,310	
"	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	—	"	-	43,771	- %	43,771	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	174,300	- %	174,300	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	12,100	- %	12,100	
"	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	—	"	-	68,000	- %	68,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	52,600	- %	52,600	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	147,656	- %	147,656	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	100,120	- %	100,120	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	296,700	- %	296,700	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	573,000	- %	573,000	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	240,000	- %	240,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	18,000	- %	18,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	39,960	- %	39,960	
"	Bank of FET's Beneficial Right of the Real Estate Trust	—	"	-	74,480	- %	74,480	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	9,700	- %	9,700	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	20,000	- %	20,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	55,000	- %	55,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	8,120	- %	8,120	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	271,800	- %	271,800	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	152,140	- %	152,140	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	43,230	- %	43,230	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	10,113	- %	10,113	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	19,823	- %	19,823	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	26,050	- %	26,050	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	28,600	- %	28,600	

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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.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	500,000	- %	500,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	3,220	- %	3,220	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	7,400	- %	7,400	
"	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	—	"	-	393,000	- %	393,000	
"	Bank of FEI's Beneficial Right of the Real Estate Trust	—	"	-	5,300	- %	5,300	
"	Chicony	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	50	4,588	0.01 %	4,588	
"	CTCI Corp.	"	"	770	32,109	0.10 %	32,109	
"	U-Ming Marine Transport Corp.	"	"	270	9,058	0.03 %	9,058	
"	Chin Poon	"	"	380	12,027	0.10 %	12,027	
"	O-Bank Co., Ltd.	"	"	92,694	710,963	3.42 %	710,963	
"	Subton Technology Co., Ltd.	"	"	288	3,400	0.10 %	3,400	
"	Kingmax Technology Inc.	"	"	2,081	21,043	4.73 %	21,043	
"	Spring House Entertainment Tech Inc.	"	"	857	7,573	4.67 %	7,573	
"	Everterminal Co., Ltd.	"	"	490	5,591	0.50 %	5,591	
"	Tekcon Electronics Corp.	"	"	137	2,197	0.52 %	2,197	
"	Ecomsoftware Inc.	"	"	130	2,322	2.60 %	2,322	
"	Crownpo Technology Inc.	"	"	57	979	0.51 %	979	
"	Book4u Co., Ltd.	"	"	9	88	0.19 %	88	
Chailease Specialty Finance Co., Ltd.	Linkou amusement Co., Ltd.(Stock)	"	"	-	36,708	- %	36,708	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	—	"	-	5,491	- %	5,491	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	37,000	- %	37,000	
"	Agora Garden Taipei — Private placement of corporate bond	—	"	-	500,000	- %	500,000	
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	215	0.14 %	215	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Asia Sermkij Leasing Public Co., Ltd.	Swe Trans Group Co., Ltd.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	10	9,695	19.00 %	9,695	
"	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	7,642	0.10 %	7,642	
Grand Pacific Holding Corp.	Mobilesift, Inc.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	359	7,760	3.45 %	7,760	
"	Stemcyte Inc.	"	"	38	1,552	0.15 %	1,552	
Grand Pacific Financing Corp.	Swabplus Inc.	"	"	10	-	- %	-	
"	Mobilesift, Inc.	"	"	358	7,760	3.45 %	7,760	
"	Stemcyte Inc.	"	"	38	1,552	0.15 %	1,552	
Chailcase 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	-	70,524	- %	70,524	

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

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

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

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

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

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Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
Chailease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	Financial assets at amortized cost	-	-	-	-	-	350,000	-	-	108,615	-	-	241,385
"	"	"	-	-	-	860,000	-	-	-	-	860,000	-	-	-
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	"	-	-	-	651,000	-	-	-	-	651,000	-	-	-
"	"	"	-	-	-	420,100	-	-	-	-	420,100	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	808,341	-	-	-	-	-	808,341

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		
Chailease Finance Co., Ltd.	Chailease International Finance Corporation	Associates	119,408	-	-		-	-
Chailease Specialty Finance Co., Ltd.	Chailease Finance Co., Ltd.	Subsidiaries	337,568	-	-		-	-
My Leasing (B.V.I.) Corp.	Golden Bridge (B.V.I.) Corp.	Associates	231,787	-	-		-	-
Chailease International Financial Services Co., Ltd.	Chailease International Company (Malaysia) Limited	Associates	1,544,177	-	-		-	-
"	Chailease International Financial Services (Labuan) Co., Ltd.	Associates	676,828	-	-		-	-
Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd.	Associates	4,683,892	-	-		-	-

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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.) Company, Ltd.	Chailease International Financial Services (Liberia) Corp.	Associates	373,334	-	-		-	-
Chailease International Company (Malaysia) Limited	Golden Bridge (B.V.I.) Corp.	Associates	155,764	-	-		-	-
"	Chailease International Company (UK) Limited	Subsidiaries	1,545,276	-	-		-	-
"	Chailease Royal Finance Plc.	Subsidiaries	147,113	-	-		-	-
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public company Limited.	Subsidiaries	4,384,383	-	-		-	-
Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	Subsidiaries	300,777	-	-		-	-
Chailease International Finance Corporation	Chailease Finance International Corp.	Subsidiaries	218,052	-	-		-	-
Chailease International Corp.	Chailease International Finance Corporation	Subsidiaries	871,787	-	-		-	-
"	Chailease Finance International Corp.	Associates	217,631	-	-		-	-

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.	1	Other current financial assets	53,354	Same as normal transactions	0.01 %
0	"	"	1	Non-operating income	54,111	"	0.13 %
1	Chailease Finance Co., Ltd	Golden Bridge (B.V.I.) Corp. · Chailease International Finance Corporation · Chailease International Financial Services Co., Ltd. · Chailease International Leasing Company Limited (Vietnam)	3	Other current financial assets	232,542	"	0.05 %
1	"	Chailease Specialty Finance Co., Ltd.	3	Payables and notes	337,568	"	0.07 %
1	"	Fina Finance & Trading Co., Ltd.	3	Other current financial liabilities	48,753	"	0.01 %
1	"	Fina Finance & Trading Co., Ltd. · Apex Credit Solution Inc.	3	Operating cost and expenses	108,290	"	0.25 %
1	"	Chailease Consumer Finance Co., Ltd. · Chailease International Finance Corporation · Chailease International Financial Services Co., Ltd. · Chailease International Leasing Company Limited (Vietnam) · Fina Finance & Trading Co., Ltd.	3	Operating revenues and non-operating income	401,529	"	0.94 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
2	Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd. ∙ Chailease International Financial Services (Liberia) Corp.	3	Financing and interest receivable	5,027,226	Same as normal transactions	1.09 %
2	"	Chailease International Financial Services Co., Ltd.	3	Operating revenues	160,783	"	0.38 %
3	Chailease International Finance Corporation	Chailease Finance Co., Ltd.	3	Other current financial liabilities	119,408	"	0.03 %
3	"	Chailease Finance Co., Ltd. ∙ Jirong Real Estate Co., Ltd.	3	Operating expense	175,480	"	0.41 %
3	"	Chailease Finance International Corp.	3	Financing and interest receivable	218,052	"	0.05 %
3	"	Chailease International Corp.	3	Borrowings and interest payable	871,787	"	0.19 %
4	Golden Bridge (B.V.I.) Corp.	Chailease Finance Co., Ltd.	3	Other current financial liabilities	45,468	"	0.01 %
4	"	Chailease International Company (Malaysia) Limited ∙ My Leasing (B.V.I.) Corp. ∙ My Leasing (Mauritius) Corp.	3	Borrowings and interest payable	481,037	"	0.10 %
4	"	My Leasing (B.V.I.) Corp.	3	Operating expense	51,205	"	0.12 %
5	My leasing (Mauritius) Corp.	Golden Bridge (B.V.I.) Corp.	3	Financing and interest receivable	93,486	"	0.02 %
6	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	3	Other current financial assets	4,384,383	"	0.95 %
6	"	Bangkok Grand Pacific Lease Public Company Limited ∙ SK Insurance Broker Co., Ltd.	3	Operating revenues and non-operating income	133,219	"	0.31 %
7	Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Labuan) Co., Ltd. ∙ Chailease International Company (Malaysia) Limited	3	Financing and interest receivable	1,684,908	"	0.37 %
7	"	"	3	Operating revenues	79,518	"	0.19 %
7	"	Chailease International Financial Services (Labuan) Co., Ltd.	3	Capital leases receivable	528,153	"	0.11 %
7	"	Chailease Finance (B.V.I.) Company, Ltd.	3	Borrowings and interest payable	4,683,892	"	1.02 %
7	"	Chailease Finance Co., Ltd. ∙ Chailease Finance (B.V.I.) Company, Ltd.	3	Operating cost and expenses	212,170	"	0.50 %
7	"	Chailease Finance Co., Ltd.	3	Other current financial liabilities	34,154	"	0.01 %
8	Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited ∙ Golden Bridge (B.V.I.) Corp. ∙ Chailease Royal Finance Plc.	3	Financing and interest receivable	1,848,152	"	0.40 %
8	"	Chailease International Company (UK) Limited	3	Operating revenues	48,306	"	0.11 %
8	"	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,544,177	"	0.33 %
8	"	"	3	Operating expense	43,917	"	0.10 %
8	"	Chailease Royal Finance Plc.	3	Other current financial assets	55,872	"	0.01 %
9	Chailease International Company (UK) Limited	Chailease International Company (Malaysia) Limited	3	Borrowings and interest payable	1,545,276	"	0.34 %
9	"	"	3	Operating expense	48,306	"	0.11 %
10	Chailease Specialty Finance Co., Ltd.	Chailease Finance Co., Ltd.	3	Capital leases receivable	337,568	"	0.07 %

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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
11	Fina Finance & Trading Co., Ltd.	Chailease Finance Co., Ltd.	3	Other current financial liabilities	48,753	Same as normal transactions	0.01 %
11	"	"	3	Operating cost and expenses	154,917	"	0.36 %
11	"	"	3	Operating revenues	49,331	"	0.12 %
12	My leasing (B.V.I.) Corp.	Golden Bridge (B.V.I.) Corp.	3	Financing and interest receivable	231,787	"	0.05 %
12	"	"	3	Operating revenues	51,205	"	0.12 %
13	Chailease Royal Finance Plc.	Chailease International Company (Malaysia) Limited	3	Borrowings and interest payable	147,113	"	0.03 %
13	"	"	3	Other current financial liabilities	55,872	"	0.01 %
14	Chailease International Financial Services (Liberia) Corp.	Chailease Finance (B.V.I.) Company, Ltd.	3	Borrowings and interest payable	373,334	"	0.08 %
15	Chailease International Financial Service (Labuan) Co., Ltd	Chailease International Financial Services Co., Ltd	3	Borrowings and interest payable	668,885	"	0.15 %
15	"	"	3	Operating expense	35,600	"	0.08 %
16	Bangkok Grand Pacific Lease Public Company Limited	Asia Sermkij Leasing Public Co., Ltd.	3	Borrowings and interest payable	4,383,048	"	0.95 %
16	"	"	3	Operating cost and expenses	72,689	"	0.17 %
17	SK Insurance Broker Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	3	Operating expense	60,530	"	0.14 %
18	Apex Credit Solution Inc.	Chailease Finance Co., Ltd.	3	Operating revenues	58,959	"	0.14 %
19	Chailease International Leasing Company Limited (Vietnam)	Chailease Finance Co., Ltd.	3	Other current financial liabilities	33,512	"	0.01 %
19	"	"	3	Operating expense	33,533	"	0.08 %
20	Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	3	Financing and interest receivable	300,777	"	0.07 %
20	"	Chailease Finance Co., Ltd.	3	Operating cost and expenses	43,435	"	0.10 %
21	Chuang Ju Limited Partnership	Chailease Consumer Finance Co., Ltd.	3	Borrowings and interest payable	300,777	"	0.07 %
22	Chailease Finance International Corp.	Chailease International Finance Corporation - Chailease International Corp.	3	Borrowings and interest payable	435,683	"	0.09 %
23	Chailease International Corp.	Chailease International Finance Corporation - Chailease Finance International Corp.	3	Financing and interest receivable	1,089,419	"	0.24 %
24	Jirong Real Estate Co., Ltd	Chailease International Finance Corporation	3	Operating revenues	57,222	"	0.13 %

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.

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(b) Information on investees :

The information on investees of the Group for the nine months ended September 30, 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 September 30, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				September 30, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Chailease International Company (Malaysia) Limited	Malaysia	Investment	20,747,605	19,506,005	1,147,247	100.00 %	37,184,256	5,463,606	5,463,606	
"	Chailease International Financial Services Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	3,010,880	2,545,280	97,000	100.00 %	4,857,975	710,416	710,416	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	151,826	151,826	3,927	51.00 %	1,147,743	450,028	229,514	
"	Golden Bridge (B.V.I.) Corp. and its subsidiaries	British Virgin Islands	Investment	13,080,552	13,080,552	377,150	100.00 %	30,080,544	5,297,676	5,297,676	
"	Chailease International Company (Hong Kong) Limited	Hong Kong	Investment	9,312	9,312	300	100.00 %	8,750	(422)	(422)	
"	Chailease International Financial Services (Liberia) Corp.	Liberia	Leasing	183,891	-	-	100.00 %	183,891	30,227	-	share holding less than 1,000 shares
"	Chailease International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	7,304	-	30	100.00 %	7,304	(879)	-	
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	British Virgin Islands	Investment	310	699,952	10	100.00 %	251	199,387	199,387	
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	463,998	463,998	40,698	11.57 %	581,710	574,789	66,503	
"	Chailease International Company (UK) Limited	U.K.	Consulting, aircraft leasing and investment	24,568,193	23,636,993	422,287	100.00 %	34,129,447	5,290,939	5,290,939	
"	Chailease Berjaya Credit Sdn. Bhd.	Malaysia	Installment sales	498,540	373,905	70,000	70.00 %	687,675	145,268	101,688	
"	Chailease Royal Leasing Plc.	Cambodia	Leasing	93,120	93,120	3,000	60.00 %	154,089	75,291	45,175	
"	Chailease Royal Finance Plc.	Cambodia	Financing	111,496	18,376	3,912	60.00 %	39,053	(3,024)	(1,814)	
"	Yellowstone Holding AG	Swiss	Venture capital investment	164,141	164,141	525,000	35.00 %	137,656	(18,726)	(6,554)	

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				September 30, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chaillease International Company (Malaysia) Limited	Chaillease Berjaya Finance Corporation	Philippines	Leasing and financing	159,759	88,755	270,000	60.00 %	125,765	(3,794)	(2,276)	
"	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	-	1,386	-	
"	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	4,360	-	-	48.00 %	4,356	(60)	(3)	
"	Chaillease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	420,253	-	-	48.00 %	423,514	(3,948)	3,263	
"	Diamond Rain Group Limited	British Virgin Islands	Investment	522,117	-	12,920	35.28 %	435,998	330,691	(88,064)	
Chaillease Berjaya Credits Sdn. Bhd.	Chaillease Agency Sdn. Bhd.	Malaysia	Insurance Brokers	712	712	100	100.00 %	13,439	5,230	5,230	
"	Chaillease Services Sdn. Bhd.	Malaysia	Insurance Brokers	712	-	100	100.00 %	757	45	45	
Chaillease International Company (UK) Limited	Chaillease Finance Co., Ltd.	Taiwan	Installment sales, leasing and factoring	19,675,718	18,887,538	1,717,700	100.00 %	33,885,855	5,625,080	5,625,080	
"	C&E Engine Leasing Limited	Ireland	Leasing	574,889	484,074	18,521	50.00 %	580,813	11,890	5,945	
Chaillease International (B.V.I.) Corp.	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	- %	-	1,386	-	
"	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	-	-	-	- %	-	(60)	(26)	
"	Chaillease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	-	412,177	-	- %	-	(3,948)	(5,158)	
"	Diamond Rain Group Limited	British Virgin Islands	Investment	-	269,613	-	- %	-	330,691	204,732	
Chaillease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Taiwan	Installment sales, trading and factoring	6,891,242	6,891,242	633,500	100.00 %	13,444,954	1,764,636	1,764,636	
"	Chaillease Specialty Finance Co., Ltd.	Taiwan	Installment sales	5,137,496	5,137,496	201,561	100.00 %	5,297,465	192,878	192,878	
"	My Leasing (B.V.I.) Corp.	British Virgin Islands	Investment	527,680	527,680	17,000	100.00 %	1,862,873	51,089	51,089	
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	858,347	858,347	128,837	36.61 %	1,840,658	574,789	210,430	
"	Chaillease Finance (B.V.I.) Company, Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	1,269,846	1,269,846	40,910	100.00 %	4,993,579	132,207	132,207	

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				September 30, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailase Finance Co., Ltd.	Apex Credit Solutions Inc.	Taiwan	Accounts receivable management, debt management, valuation, trading in financial instruments	60,939	60,939	10,000	100.00 %	166,022	38,320	38,320	
"	Chung Hung Corp.	Taiwan	Foreign trade of machinery, equipment, transportation and leasing	1,000	1,000	100	28.57 %	1,190	(86)	(24)	
"	Chailase International Leasing Company Limited (Vietnam)	Vietnam	Leasing	763,926	763,926	-	100.00 %	1,328,045	105,078	105,078	
"	Chailase Auto Rental Co., Ltd.	Taiwan	Leasing	1,352,227	1,352,227	135,000	100.00 %	1,421,725	54,243	54,243	
"	Chailase Insurance Brokers Co., Ltd.	Taiwan	Personal and property insurance brokers	8,000	8,000	800	100.00 %	52,176	35,924	35,924	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	127,535	127,535	3,773	49.00 %	1,102,733	450,028	220,514	
"	Chailase Cloud Service Co., Ltd.	Taiwan	Software of cloud products, leasing and installment sales	10,000	10,000	1,000	100.00 %	5,651	(29)	(29)	
"	Yun Tang Inc.	Taiwan	Solar power business	445,000	445,000	-	100.00 %	471,212	10,028	10,028	
"	Chailase Energy Integration Co., Ltd.	Taiwan	Solar power business	50,000	50,000	5,000	100.00 %	522,272	409,442	409,442	
"	Chailase Finance Securitization Trust 2016	Taiwan	Special purpose entity	880,589	880,589	-	100.00 %	687,230	184,238	184,238	
"	Chailase Power Technology Co., Ltd.	Taiwan	Solar power business	250,000	250,000	25,000	100.00 %	249,673	(264)	(264)	
"	Chailase International Trading Company Limited (Vietnam)	Vietnam	Trading	155,200	155,200	-	100.00 %	161,028	8,342	8,342	
Fina Finance & Trading Co., Ltd.	Chailase Consumer Finance Co., Ltd.	Taiwan	Leasing, installment sales and factoring	2,652,436	2,652,436	234,434	100.00 %	3,979,002	325,446	325,446	
"	Chailase Credit Services Co., Ltd.	Taiwan	Installment sales and leasing	10,001	10,001	1,000	100.00 %	9,964	101	101	
Chailase Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	1,800,000	1,800,000	-	- %	1,927,615	127,615	127,615	(Note 2)
Chailase Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	1,500,000	1,500,000	-	- %	1,606,303	106,303	106,303	(Note 3)
Chailase Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	-	-	(Note 2)

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of September 30, 2019			Net income (losses) of the investee	Share of profits/losses of investee	Note
				September 30, 2019	December 31, 2018	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
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	-	310	-	- %	-	30,227	30,227	
"	Chailase International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	-	931	-	- %	-	(879)	(879)	

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 September 30, 2019	Net Income (Losses) of the Investee	Percentage of Ownership	Share of profits/losses (Note 2)	Carrying Amount as of September 30, 2019	Accumulated Inward Remittance of Earnings as of September 30, 2019
					Outflow	Inflow						
Chailase International Finance Corporation	Leasing	10,944,098	(2)	-	-	-	-	5,594,569	97.85 %	5,553,011	29,718,039	3,197,120
Chailase Finance International Corp.	Leasing	1,862,400	(2)	-	-	-	-	501,289	98.39 %	498,459	4,114,033	-
Chailase International Corp.	Trading	870,000	(2)	-	-	-	-	672,251	97.85 %	667,636	4,152,061	-
Jirong Real Estate Co., Ltd.	House property leasing and management	739,500	(2)	-	-	-	-	7,938	97.85 %	7,870	772,726	-
DMC Energy Management Services (Shenzhen) Co., Ltd.	Environmental business	108,750	(2)	-	-	-	-	7,595	19.57 %	1,256	19,741	-

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 is not calculated because the Company is foreign company.

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

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

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

3.Significant transactions:

The aforementioned inter company transaction have been eliminated upon consolidation for the nine months ended September 30, 2019, please refer to Note (13) (a).

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(14) Segment Information

Operating segments financial information:

	For the three months ended September 30, 2019					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 6,662,504	6,809,670	1,697,739	114,822	-	15,284,735
Intersegment revenues	330,706	27,354	52,102	21,777	(431,939)	-
Total revenue	\$ 6,993,210	6,837,024	1,749,841	136,599	(431,939)	15,284,735
Reportable segment profit or loss	\$ 2,123,293	1,831,613	327,201	(244,920)	-	4,037,187

	For the three months ended September 30, 2018					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 5,622,931	5,748,229	1,198,291	107,279	-	12,676,730
Intersegment revenues	305,964	19,871	32,236	18,669	(376,740)	-
Total revenue	\$ 5,928,895	5,768,100	1,230,527	125,948	(376,740)	12,676,730
Reportable segment profit or loss	\$ 1,887,182	1,539,409	264,870	(182,581)	-	3,508,880

	For the nine months ended September 30, 2019					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 18,744,779	19,002,790	4,697,796	308,972	-	42,754,337
Intersegment revenues	951,591	67,774	293,571	63,197	(1,376,133)	-
Total revenue	\$ 19,696,370	19,070,564	4,991,367	372,169	(1,376,133)	42,754,337
Reportable segment profit or loss	\$ 5,791,132	5,390,438	901,948	(190,838)	-	11,892,680

	For the nine months ended September 30, 2018					
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 16,013,904	17,270,655	3,313,999	379,975	-	36,978,533
Intersegment revenues	834,150	60,549	177,722	48,187	(1,120,608)	-
Total revenue	\$ 16,848,054	17,331,204	3,491,721	428,162	(1,120,608)	36,978,533
Reportable segment profit or loss	\$ 5,279,964	4,709,621	788,419	(407,652)	-	10,370,352