Stock Code:5871

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2018 and 2017

Address: No.362, Ruiguang Rd., Neihu District, Taipei, Taiwan, (R.O.C.)
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The independent auditors' report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and consolidated financial statements, the Chinese version shall prevail.

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Representation Letter

The entities that are required to be included in the combined financial statements of Chailease Holding Company Limited as of and for the year ended December 31, 2018 under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 endorsed by the Financial Supervisory Commission, "Consolidated and separate Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Chailease Holding Company Limited and Subsidiaries do not prepare a separate set of combined financial statements.

Company Name: Chailease Holding Company Limited
Chairman: Fong Long, Chen
Date: March 22, 2019

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Independent Auditors' Report

To the Board of Directors of Chailease Holding Company Limited:

Opinion

We have audited the consolidated financial statements of Chailease Holding Company Limited and its subsidiaries ("the Group"), which comprise the consolidated balance sheets as of December 31, 2018 and 2017, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years ended December 31, 2018 and 2017, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the year ended December 31, 2018 and 2017 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards (" IFRSs"), International Accounting Standards (" IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Impairment assessment of accounts receivable

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

Description of key audit matter:

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

How the matter was addressed in our audit:

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

2. Impairment of operating lease assets

Refer to Note (4) (l) "Impairment of non-financial assets" and Note (5) "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" and Note (6) (g) " Property, plant and equipment" to the consolidated financial statements for the details of the information about impairment of operating lease assets.

Description of key audit matter:

The Group is engaged primarily in providing various services of leasing and financial instruments, in which impairment of operating lease assets is another a significant account of the Group.

At each reporting date, the Group performs impairment test of the assets particularly those used for operating leases to determine any indication of impairment. Such test considers the value in use to evaluate the asset's recoverable amount. The value in use is calculated on the present value of future rental revenue and value of disposal of operating lease assets less overheads and duties. The capital cost rate on reporting date is used as the discounting rate.

Impairment of operating lease assets is one of the key audit matters for our audit, as it requires management to make estimates and assumptions that can materially affect the financial statements.

How the matter was addressed in our audit:

In relation to the key audit matter above, we have performed certain key audit procedures that included evaluating the reasonableness of the discount rate used by the Group to estimate the recoverable amount and the residual value of the leased asset; testing compliance with the policy of appraising leased asset is consistent with the Group's policy; recalculating impairment losses based on the assumptions and data used by management; and evaluating the adequacy of the Group's disclosure on impairment of operating lease assets.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the propriety of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the propriety of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit.

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

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

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

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

KPMG

Taipei, Taiwan (Republic of China)
March 22, 2019

Notes to Readers

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

The independent auditor's 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 auditor's report and consolidated financial statements, the Chinese version shall prevail.

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Assets	2018.12.31 Amount	%	2017.12.31 Amount	%
	Current assets :				
1100	Cash and cash equivalents (Notes (6)(a) and (7))	$ 17,579,967	5	19,030,593	6
1110	Current financial assets at fair value through profit or loss (Note (6)(b))	1,005,642	-	49,572	-
1130	Current held-to-maturity financial assets (Note (6)(b))	-	-	6,442,807	2
1139	Current financial assets for hedging (Note (6)(b) and (6)(c))	94,684	-	-	-
1140	Current financial assets at amortized cost (Note (6)(b))	10,211,997	3	-	-
1170	Accounts receivable, net (Notes (6)(d), (7) and (8))	264,233,577	66	217,964,861	67
1476	Other current financial assets (Notes (7) and (8))	4,354,916	1	3,666,543	1
1479	Other current assets-others (Notes (6)(e) and (7))	5,062,848	1	4,367,771	1
		302,543,631	76	251,522,147	77
	Non-current assets :				
1517	Non-current financial assets at fair value through other comprehensive income (Note (6)(b))	947,180	-	-	-
1523	Non-current available-for-sale financial assets (Note (6)(b))	-	-	1,077,941	-
1528	Non-current held-to-maturity financial assets (Note (6)(b))	-	-	1,393,640	1
1540	Non-current financial assets at amortized cost (Note (6)(b))	2,058,584	1	-	-
1550	Investments accounted for using equity method (Notes (6)(f) and (8))	1,268,249	-	1,146,881	-
1600	Property, plant and equipment (Notes(6)(g) and (8))	10,349,301	3	10,059,227	3
1780	Intangible assets (Note (6)(h))	75,746	-	63,860	-
1840	Deferred tax assets (Note (6)(n))	3,360,546	1	3,697,787	1
1930	Long-term accounts receivable, net (Notes (6)(d) , (7) and (8))	78,783,682	19	57,682,774	18
1995	Other non-current assets-others (Notes (7) and (8))	990,790	-	932,428	-
		97,834,078	24	76,054,538	23
	TOTAL ASSETS	$ 400,377,709	100	327,576,685	100

	LIABILITIES AND EQUITY	2018.12.31 Amount	%	2017.12.31 Amount	%
	Current Liabilities :				
2100	Short-term borrowings (Notes (6)(j), (7) and (8))	$ 54,056,709	14	37,672,132	11
2111	Short-term notes and bills payable (Notes (6)(i))	65,273,584	16	54,555,593	17
2125	Current derivative financial liabilities for hedging (Note (6)(c))	-	-	2,108	-
2126	Current financial liabilities for hedging (Note (6)(c))	6,022	-	-	-
2150	Account and notes payable	4,313,564	1	3,959,867	1
2230	Current tax liabilities	1,845,873	1	1,660,227	1
2305	Other current financial liabilities (Note (7))	37,502,822	9	30,085,814	9
2320	Long-term liabilities, current portion (Notes (6)(j), (6)(k), (7) and (8))	108,424,519	27	83,886,873	26
2399	Other current liabilities-others	1,390,048	-	1,122,476	-
		272,813,141	68	212,945,090	65
	Non-current Liabilities :				
2530	Bonds payable (Notes (6)(k))	13,017,464	3	15,192,493	5
2540	Long-term borrowings (Notes (6)(j), (7) and (8))	42,428,820	11	36,640,756	11
2570	Deferred tax liabilities (Note 6(n))	2,433,046	1	1,836,902	1
2600	Other non-current liabilities (Note (6)(m))	5,622,139	1	4,797,623	1
		63,501,469	16	58,467,774	18
	Total Liabilities	336,314,610	84	271,412,864	83
	Equity attributable to owners of the Company : (Note (6)(o))				
3100	Share Capital	12,895,146	3	12,642,300	4
3200	Capital surplus	17,367,796	4	17,367,796	5
3220	Special reserve	1,397,823	-	674,779	-
3350	Unappropriated retained earnings	31,649,405	8	24,374,823	7
3400	Other equity items	(2,095,945)	-	(1,397,823)	-
	Total equity attributable to owners of the Company	61,214,225	15	53,661,875	16
36XX	**Non-controlling interests**	2,848,874	1	2,501,946	1
	Total equity	64,063,099	16	56,163,821	17
	TOTAL LIABILITIES AND EQUITY	$ 400,377,709	100	327,576,685	100

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Years Ended December 31, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the years ended December 31,			
		2018		2017	
		Amount	%	Amount	%
	Operating revenues: (Note (7))				
4111	Sales revenue	$ 9,975,354	20	8,289,471	20
4810	Interest revenue - installment sales	8,446,600	17	7,610,318	18
4820	Interest revenue - capital leases	13,423,761	26	9,781,840	24
4300	Rental revenue - operating leases	3,197,591	6	3,080,320	7
4230	Interest revenue - loans	3,903,170	8	3,176,652	8
4240	Other interest revenue	3,836,634	8	3,191,904	8
4881	Other operating revenue	7,689,480	15	6,324,194	15
		50,472,590	100	41,454,699	100
	Operating costs: (Note (7))				
5111	Cost of sales	8,684,617	17	7,288,287	17
5240	Interest expense	6,100,184	12	4,935,249	12
5300	Cost of rental revenue	2,371,735	5	2,409,064	6
5800	Other operating costs	1,335,974	3	1,112,689	3
		18,492,510	37	15,745,289	38
	Gross profit from operation	31,980,080	63	25,709,410	62
6000	**Operating expenses (Note (7))**	10,285,984	20	13,003,258	31
6450	**Expected credit loss (Note (6)(d))**	3,782,855	7	-	-
6500	**Net other income and expenses (Note (6)(r))**	158,194	-	151,151	-
	Operating profit	18,069,435	36	12,857,303	31
	Non-operating income and expenses:				
7100	Interest income	105,015	-	81,761	-
7130	Dividend income	49,533	-	81,548	-
7020	Other gains and losses (Note (6)(s))	703,195	1	529,050	2
7060	Share of (loss) profit of associates and joint ventures accounted for using equity method(Note (6)(f))	(77,117)	-	3,750	-
		780,626	1	696,109	2
7900	**Profit before income tax**	18,850,061	37	13,553,412	33
7950	**Less: Income tax expense (Note (6)(n))**	4,957,568	10	3,550,027	9
	Profit for the period	13,892,493	27	10,003,385	24
	Other comprehensive income (loss):				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss:**				
8311	Remeasurements from defined benefit plans	(87,802)	-	78,348	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(87,476)	-	-	-
8349	Income tax related to components that will not be reclassified to profit or loss	17,560	-	(13,319)	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	(157,718)	-	65,029	-
8360	**Components of other comprehensive income that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(104,329)	-	(786,678)	(2)
8362	Unrealized gains (losses) on valuation of available-for-sale financial assets	-	-	(256,776)	-
8363	Gains (losses) on effective portion of cash flow hedges	-	-	(205)	-
8364	Gains (losses) on effective portion of hedges of net investments in foreign operations	-	-	397,071	1
8368	Gains (losses) on hedging instrument	(381,191)	(1)	-	-
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(3,745)	-	-	-
8399	Other components of other comprehensive income that will be reclassified to profit or loss	(44,777)	-	104,748	-
	Total components of other comprehensive income that will be reclassified to profit or loss	(534,042)	(1)	(541,840)	(1)
	Other comprehensive income (net of tax)	(691,760)	(1)	(476,811)	(1)
8500	**Total comprehensive income for the period**	$ 13,200,733	26	9,526,574	23
	Profit attributable to:				
8610	Owners of the Company	$ 13,369,370	26	9,656,514	23
8620	Non-controlling interests	523,123	1	346,871	1
		$ 13,892,493	27	10,003,385	24
	Comprehensive income attributable to:				
8710	Owners of the Company	$ 12,602,264	25	8,998,499	22
8720	Non-controlling interests	598,469	1	528,075	1
		$ 13,200,733	26	9,526,574	23
9750	**Basic earnings per share (NT dollars) (Note (6)(p))**	$	10.37		8.12

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

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REVIEWED ONLY, NOT AUDITED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company												
					Other Equity Items								
	Stock		Retained Earnings										
	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) of effective portion of hedges of net investments in foreign operations	Gains (losses) on hedging instruments	Total equity attributable to owners of the Company	Non-controlling interests	Total equity
Balance at January 1, 2017	$ 11,392,300	9,391,481	-	19,201,441	(627,808)	-	163,390	-	(210,361)	-	39,310,443	2,197,785	41,508,228
Profit for the year ended December 31,2017	-	-	-	9,656,514	-	-	-	-	-	-	9,656,514	346,871	10,003,385
Other comprehensive income (loss) for the year ended December 31,2017	-	-	-	65,029	(863,194)	-	(256,776)	(145)	397,071	-	(658,015)	181,204	(476,811)
Total comprehensive income (loss) for the year ended December 31,2017	-	-	-	9,721,543	(863,194)	-	(256,776)	(145)	397,071	-	8,998,499	528,075	9,526,574
Earnings distribution and appropriation:													
Special reserve appropriated	-	-	674,779	(674,779)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(3,873,382)	-	-	-	-	-	-	(3,873,382)	-	(3,873,382)
Capital increase in cash	1,250,000	7,976,315	-	-	-	-	-	-	-	-	9,226,315	-	9,226,315
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(223,914)	(223,914)
Balance at December 31, 2017	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
Effects of retrospective application	-	-	-	(245,840)	-	(93,386)	93,386	145	(186,710)	186,565	(245,840)	(87,145)	(332,985)
Equity at beginning of period after adjustments	12,642,300	17,367,796	674,779	24,128,983	(1,491,002)	(93,386)	-	-	-	186,565	53,416,035	2,414,801	55,830,836
Profit for the year ended December 31,2018	-	-	-	13,369,370	-	-	-	-	-	-	13,369,370	523,123	13,892,493
Other comprehensive income (loss) for the year ended December 31,2018	-	-	-	(72,639)	(225,800)	(87,476)	-	-	-	(381,191)	(767,106)	75,346	(691,760)
Total comprehensive income (loss) for the year ended December 31,2018	-	-	-	13,296,731	(225,800)	(87,476)	-	-	-	(381,191)	12,602,264	598,469	13,200,733
Earnings distribution and appropriation:													
Special reserve appropriated	-	-	723,044	(723,044)	-	-	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(4,804,074)	-	-	-	-	-	-	(4,804,074)	-	(4,804,074)
Stock dividends of ordinary share	252,846	-	-	(252,846)	-	-	-	-	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(164,396)	(164,396)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	3,655	-	(3,655)	-	-	-	-	-	-	-
Balance at December 31, 2018	$ 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

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

(English Translation of Consolidated Financial Statements and Report Originally Issued in Chinese)

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2018 and 2017

(Amounts Expressed in Thousands of New Taiwan Dollars)

	2018	2017
Cash flows from operating activities:		
Profit before tax	$ 18,850,061	13,553,412
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,237,725	2,075,955
Amortization expense	157,861	147,656
Expected credit loss	3,782,855	-
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	54,367	(7,513)
Interest expense	6,100,184	4,935,249
Interest income	(29,715,180)	(23,842,475)
Dividend income	(49,533)	(81,548)
Share of loss (profit) of associates and joint ventures accounted for using equity method	77,117	(3,750)
Gain on disposal of property, plant and equipment	(89,006)	(26,215)
Loss on disposal of foreclosed assets	143,693	99,416
Gain on disposal of investments	-	(178,835)
Impairment loss on financial assets	-	4,188,577
Impairment loss on non-financial assets	322,157	510,442
Total adjustments to reconcile profit	(16,977,760)	(12,183,041)
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in financial assets held for trading	-	71,126
Increase in financial assets at fair value through profit or loss, mandatorily measured at fair value	(260,180)	-
Increase in accounts receivable	(72,384,660)	(41,158,894)
Increase in other current financial assets	(448,085)	(893,342)
Increase in other current assets	(891,821)	(265,628)
Proceeds from sales of operating lease assets	999,647	1,132,735
Purchase of operating lease assets	(3,787,189)	(3,606,243)
(Increase) decrease in other operating assets	(215,670)	103,998
Total changes in operating assets	(76,987,958)	(44,616,248)
Changes in operating liabilities:		
Increase in accounts and notes payable	401,262	768,003
Increase in long term and short term debts	343,304,725	263,237,580
Repayment of long term and short term debts	(288,863,836)	(239,346,357)
Increase in other current financial liabilities	7,708,414	3,702,627
Decrease in accrued pension liabilities	(50,847)	(42,959)
Increase (decrease) in other current liabilities others	746,831	(158,609)
Increase in other operating liabilities	229,158	844,773
Total changes in operating liabilities	63,475,707	29,005,058
Total changes in operating assets and liabilities	(13,512,251)	(15,611,190)
Total adjustments	(30,490,011)	(27,794,231)
Cash outflow used in operations	(11,639,950)	(14,240,819)
Interest received	29,484,623	23,747,993
Dividends received	49,633	81,648
Interest paid	(5,949,745)	(4,811,585)
Income taxes paid	(3,755,694)	(3,474,381)
Net cash flows provided by (used in) operating activities	8,188,867	1,302,856
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	53,758	-
Acquisition of financial assets at amortized cost	(10,369,128)	-
Proceeds from disposal of financial assets at amortized cost	5,934,994	-
Acquisition of available-for-sale financial assets	-	(27,611)
Proceeds from disposal of available-for-sale financial assets	-	661,698
Proceeds from capital reduction of available-for-sale financial assets	-	18,380
Acquisition of held-to-maturity financial assets	-	(5,502,979)
Proceeds from disposal of held-to-maturity financial assets	-	4,483,533
Acquisition of investments accounted for using equity method	(175,255)	(406,428)
Proceeds from capital reduction of investments accounted for using equity method	-	81,872
Acquisition of property, plant and equipment	(139,215)	(97,326)
Proceeds from disposal of property, plant and equipment	194,368	224,367
Acquisition of intangible assets	(15,893)	(1,066)
Net cash flows used in investing activities	(4,525,925)	(565,560)
Cash flows from financing activities:		
Distribution of cash dividend	(4,804,074)	(3,873,382)
Increase capital in cash	-	9,226,315
Change in non-controlling interests	(164,396)	(223,914)
Net cash flows (used in) provided by financing activities	(4,968,470)	5,129,019
Effect of exchange rate changes on cash and cash equivalents	(159,534)	228,936
Net decrease in cash and cash equivalents	(1,465,062)	6,095,251
Cash and cash equivalents at beginning of period	19,030,593	12,935,342
Cash and cash equivalents at end of period	$ 17,565,531	19,030,593

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

(1) Company history

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

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

As of December 31, 2018 and 2017, the Company had outstanding common stock of $12,895,146 and $12,642,300 divided into 1,289,514,593 shares and 1,264,229,994 shares, respectively.

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

The consolidated financial statements were reported to and approved for issue by the Board of Directors on March 22, 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, 2018:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendment to IFRS 2 "Clarifications and Measurement of Share-based Payment Transactions"	January 1, 2018
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Statement of Cash Flows -Disclosure Initiative"	January 1, 2017
Amendment to IAS 12 "Income Taxes- Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
Annual Improvements to IFRS Standards 2014–2016 Cycle:	
Amendments to IFRS 12	January 1, 2017
Amendments to IFRS 1 and Amendments to IAS 28	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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 9 "Financial Instruments"

IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement" which contains classification and measurement of financial instruments, impairment and hedge accounting.

As a result of the adoption of IFRS 9, the Group adopted the consequential amendments to IAS 1 "Presentation of Financial Statements" which requires impairment of financial assets to be presented in a separate line item in the statement of profit or loss and OCI. Previously, the Group's approach was to include the impairment of trade receivables in administrative expenses. Additionally, the Group adopted the consequential amendments to IFRS 7 Financial Instruments: Disclosures that are applied to disclosures about 2018 but generally have not been applied to comparative information.

The detail of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below:

1) Classification of financial assets and financial liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the hybrid financial instrument as a whole is assessed for classification. For an explanation of how the Group classifies and measures financial assets and accounts for related gains and losses under IFRS 9, please see note 4(g).

The adoption of IFRS 9 did not have any a significant impact on its accounting policies on financial liabilities.

2) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with the 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. Under IFRS 9, credit losses are recognized earlier than they are under IAS 39 – please see note 4(g).

3) Hedge accounting

The Group has elected to adopt the new general hedge accounting model in IFRS 9, which requires the Group to ensure that hedge accounting relationships are aligned with its risk management objectives and strategy, and apply a more qualitative and forward-looking approach to assessing hedge effectiveness.

For an explanation of how the Group applies hedge accounting under IFRS 9, please see note 4(g).

4) Transition

The adoption of IFRS 9 have been applied retrospectively, except as described below,

- Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 are recognized in retained earnings and reserves as on January 1, 2018. Accordingly, the information presented for 2017 does not generally reflect the requirements of IFRS 9 and therefore is not comparable to the information presented for 2018 under IFRS 9.

- The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application.

  - The determination of the business model within which a financial asset is held.

  - The designation and revocation of previous designations of certain financial assets and financial liabilities as measured at FVTPL.

  - The designation of certain investments in equity instruments not held for trading as at FVOCI.

- If an investment in a debt security had low credit risk at the date of initial application of IFRS 9, then the Group assumed that the credit risk on its asset will not increase significantly since its initial recognition.

- All hedging relationships designated under IAS 39 on December 31 2017 met the criteria for hedge accounting under IFRS 9 on January 1, 2018, and are therefore, regarded as continuing hedging relationships.

5) Classification of financial assets on the date of initial application of IFRS 9

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Group's financial assets as of January 1, 2018.

	IAS39		IFRS9	
	Measurement categories	Carrying Amount	Measurement categories	Carrying Amount
Financial Assets				
Cash and equivalents	Loans and receivables	19,030,593	Amortized cost	19,030,593
Debt securities	Held-to-maturity (note 1)	7,836,447	Amortized cost	7,836,447
Equity instruments	Held-for-trading (note 2)	49,572	Current financial assets at fair value through profit or loss, mandatorily measured at fair value	49,572
	Available-for-sale (note 3)	1,077,941	Non-current financial assets at fair value through other comprehensive income	1,077,941
Trade and other receivables	Loans and receivables (note 4)	275,647,635	Amortized cost	275,647,635

Note1: Debt securities that were previously classified as held-to-maturity and bond investment without an active market are now classified at amortized cost. The Group intends to hold the assets to maturity to collect contractual cash flows and these cash flows consist solely of payments of principal and interest on the principal amount outstanding.

Note2: Under IAS 39, these equity securities were designated as at FVTPL because they were managed on a fair value basis and their performance was monitored on this basis. These assets have been classified as mandatorily measured at FVTPL under IFRS 9.

Note3: These equity securities (including financial assets measured at cost) represent investments that the Group intends to hold for the long term for strategic purposes. As permitted by IFRS 9, the Group has designated these investments at the date of initial application as measured at FVOCI.

Note4: Trade, lease and other receivables that were classified as loans and receivables under IAS 39 are now classified at amortized cost. An increase of $429,180 in the allowance for impairment was recognized in opening retained earnings upon transition to IFRS 9 on January 1, 2018. In addition to the changes detailed above, there are no changes in other equity; Retained Earnings, non-controlling interests and income tax expenses are reduced 245,840, 87,145 and 96,195, respectively.

The following table reconciles the carrying amounts of financial assets under IAS 39 to the carrying amounts under IFRS 9 upon transition to IFRS 9 on 1 January, 2018.

	2017.12.31 IAS 39 Carrying Amount	Reclassifications	Remeasurements	2018.1.1 IFRS 9 Carrying Amount	2018.1.1 Retained earnings	2018.1.1 Other equity
Fair value through profit or loss						
Beginning balance of FVTPL (IAS 39)	$ 49,572	(49,572)	-	-	-	-
Held for trading to fair value through profit or loss, mandatorily measured at FVTPL	-	49,572	-	49,572	-	-
Total	$ 49,572	-	-	49,572	-	-
Fair value through other comprehensive income						
Beginning balance of available-for-sale (IAS 39)	$ 1,077,941	(1,077,941)	-	-	-	-
Available for sale to FVOCI	-	1,077,941	-	1,077,941	-	-
Total	$ 1,077,941	-	-	1,077,941	-	-
Amortized cost						
Beginning balance of held-to-maturity financial assets, and trade and other receivables (IAS 39)	$ 283,484,082	(283,484,082)	-	-	-	-
Adjustments for allowance of impairment for financial assets measured at amortized cost	-	-	(429,180)	(429,180)	(245,840)	-
Additions:						
Reclassification from held-to-maturity financial assets	-	7,836,447	-	7,836,447	-	-
Reclassification from loans and receivables	-	275,647,635	-	275,647,635	-	-
Total	$ 283,484,082	-	(429,180)	283,054,902	(245,840)	-

(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, 2019 in accordance with Ruling No. 1070324857 issued by the FSC on July 17, 2018:

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

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

(i) IFRS 16"Leases"

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

IFRS 16 introduces a single and an on-balance sheet lease accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. In addition, the nature of expenses related to those leases will now be changed since IFRS 16 replaces the straight-line operating lease expense with a depreciation charge for right-of-use assets and interest expense on lease liabilities. There are recognition exemptions for short-term leases and leases of low-value items. The lessor accounting remains similar to the current standard – i.e. the lessors will continue to classify leases as finance or operating leases.

1) Determining whether an arrangement contains a lease

On transition to IFRS 16, the Group can choose whether to:

·IFRS 16 definition of a lease to all its contracts; or

·a practical expedient and not reassess whether a contract is, or contains, a lease.

The Group plans to apply the practical expedient to grandfather the definition of a lease upon transition. This means that it will apply IFRS 16 to all contracts entered into before January 1,2019 and identified as leases in accordance with IAS 17 and IFRIC 4.

2) Transition

As a lessee, the Group can either apply the standard using the following:

·retrospective approach; or

·modified retrospective approach with optional practical expedients.

The lessee applies the election consistently to all of its leases.

On January 1, 2019, the Group plans to initially apply IFRS 16 using the modified retrospective approach. Therefore, the cumulative effect of adopting IFRS 16 will be recognized as an adjustment to the opening balance of retained earnings at January 1, 2019, with no restatement of comparative information.

When applying the modified retrospective approach to leases previously classified as operating leases under IAS 17, the lessee can elect, on a lease-by-lease basis, whether to apply a number of practical expedients on transition. The Group chooses to elect the following practical expedients:

— apply a single discount rate to a portfolio of leases with similar characteristics.

— adjust the right-of-use assets, based on the amount reflected in IAS 37 onerous contract provision, immediately before the date of initial application, as an alternative to an impairment review.

— apply the exemption not to recognize the right-of-use assets and liabilities to leases with lease term that ends within 12 months of the date of initial application.

— exclude the initial direct costs from measuring the right-of-use assets at the date of initial application.

— use hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3) So far, the most significant impact identified is that the Group will have to recognize the new assets and liabilities for the operating leases of its offices and solar power station. The Group estimated that the right-of-use assets and the lease liabilities to increase by $1,719,683 and $1,724,400 respectively, as well as the retained earnings to decrease by $4,717 on January 1, 2019. In addition, due to the consolidated company entered into several electricity procurement agreements, IFRIC 4 "Determining whether an Arrangement contains a Lease" is not applicable under the new standard, this difference is estimated to increase fixed assets by $15,554,114 , to decrease accounts receivable by $15,750,353 , to increase deferred tax liability by $6,761 and to decrease retain earnings by $203,000 . No significant impact on contracts dealt with financial leasing. Besides, The Group does not expect the adoption of IFRS 16 to have any impact on its ability to comply with the revised maximum leverage threshold loan covenant. Also, the Group is not required to make any adjustments for leases where the Group is the intermediate lessor in a sub-lease.

The actual impacts of adopting the standards may change depending on the economic conditions and events which may occur in the future.

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

As of the date, the following IFRSs have been issued by the IASB, but have yet to be endorsed by the FSC:

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

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

(4) Summary of significant accounting policies

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

(a) Statement of compliance

These consolidated annual financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to the Regulations) and International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations endorsed by FSC (hereinafter referred to as the IFRSs endorsed by FSC).

(b) Basis of preparation

1.Basis of measurement

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

1) Financial assets measured at fair value through profit or loss are measured at fair value;

2) Fair value through other comprehensive income (Available-for-sale financial assets)are measured at fair value;

3) Hedge financial instruments are measured at fair value;

4) The defined net benefit obligation (or asset) is recognized as fair value of plan assets, less the present value of the defined benefit obligation and the maximum amount measurement disclosed in Note 4(n).

2.Functional and presentation currency

The functional currency of each entity of the Group is determined based on the primary economic environment in which the entity operates. The Group consolidated financial statements are presented in New Taiwan Dollar, which is the Company's functional currency. Unless otherwise specified, all financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(c) Basis of consolidation

1.Principle of preparation of the consolidated financial statements

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

The financial statements of the subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Accounting policies of subsidiaries have been adjusted to ensure consistency with the policies adopted by the Group.

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any differences between the Group's share of net assets before and after the change, and any considerations received or paid, are adjusted to or against the Group reserves.

2.List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2018.12.31	Shareholding Ratio 2017.12.31	Note
The Company	Chailease International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	
〃	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	
〃	Chailease International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	
〃	Chailease International Company (Hong Kong) Limited	Investment	100.00 %	- %	This subsidiary was established on February 13, 2018. The company invested it on September 7,2018.
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chailease International Finance Corporation	Leasing	100.00 %	100.00 %	
My Leasing (Mauritius) Corp. and Chailease International Finance Corporation	Chailease Finance International Corp.	Leasing	100.00 %	100.00 %	
Chailease International Finance Corporation	Chailease International Corp.	Trading	100.00 %	100.00 %	
〃	Jirong Real Estate Co., Ltd.	House property leasing and management	100.00 %	100.00 %	
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	Investment	100.00 %	100.00 %	
〃	Chailease International Company (UK) Limited	Consulting, aircraft leasing and investment	100.00 %	100.00 %	
〃	Chailease Berjaya Credit Sdn. Bhd.	Installment sales	70.00 %	70.00 %	

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2018.12.31	Shareholding Ratio 2017.12.31	Note
Chailease International Company (Malaysia) Limited	Chailease Royal Leasing Plc.	Leasing	60.00 %	60.00 %	This subsidiary was established on May 10, 2016. Chailease International Company (Malaysia) Limited invested it on March 6, 2017.
〃	Chailease Berjaya Finance Corporation	Leasing and financing	60.00 %	60.00 %	Established on September 29, 2017.
〃	Chailease Royal Finance Plc.	Financing	60.00 %	- %	Purchased on December 19, 2018.
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Installment sales, leasing, and factoring	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 (Labuan) Co., Ltd.	Leasing	100.00 %	100.00 %	
Chailease Berjaya Credit Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	Established on April 19, 2017.
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	100.00 %	100.00 %	
〃	Chailease Specialty Finance Co., Ltd.	Installment sales	100.00 %	100.00 %	
〃	My Leasing (B.V.I.) Corp.	Investment	100.00 %	100.00 %	
Chailease International Company (Malaysia) Limited and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	48.18 %	48.18 %	Please refer to Note (5) for the detailed disclosure of the judgment regarding control of Asia SermKij Leasing Public Co., Ltd.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Co., Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	
〃	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	
〃	Chailease International Trading Company Limited (Vietnam)	Trading	100.00 %	100.00 %	
〃	Chailease Auto Rental Co., Ltd.	Leasing	100.00 %	100.00 %	
〃	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	100.00 %	100.00 %	

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2018.12.31	Shareholding Ratio 2017.12.31	Note
Chailease Finance Co., Ltd.	Chailease Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	
〃	Chailease Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	100.00 %	
〃	Chailease Finance Securitization Trust 2014	Special Purpose Entity	- %	- %	The subsidiary was established on July 24, 2014, and was terminated on November 23,2018. (Note)
〃	Chailease Finance Securitization Trust 2016	Special Purpose Entity	- %	- %	The subsidiary was established on August 24, 2016. (Note)
〃	Yun Tang Inc.	Solar Power business	100.00 %	100.00 %	
〃	Chailease Energy Integration Co., Ltd	Solar Power business	100.00 %	100.00 %	
〃	Chailease Power Technology Co., Ltd. (Former name: Innovation Energy Integration Co., Ltd.)	Solar Power business	100.00 %	100.00 %	The name of the subsidiary has been changed on March 5, 2018.
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd	Factoring and installment sales	100.00 %	100.00 %	
〃	Chailease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	Fina Finance & Trading Co., Ltd. bought all shares of Chailease Credit Services Co., Ltd. from Chailease Finance Co., Ltd. on July 21, 2017.
The Company and Chailease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Financing leasing, real estate, and mortgage	100.00 %	100.00 %	
Chailease Consumer Finance Co., Ltd. and Chailease Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	Founded on June 28, 2017.
Chailease Specialty Finance Co., Ltd. and Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	Founded on June 28, 2017.
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	
〃	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	
〃	Grand Pacific Warehouse Funding Corp.	Real estate development	- %	- %	Liquidated on August, 2017.

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio 2018.12.31	Shareholding Ratio 2017.12.31	Note
Grand Pacific Holdings Corp.	Grand Pacific Business Loan LLC. 2005-1	Special purpose entity	- %	- %	The subsidiary was established on June 27, 2005. (Note) and was liquidated on October, 2017.
Grand Pacific Warehouse Funding Corp.	Grand Pacific Warehouse Funding LLC.	Special purpose entity	- %	- %	Dissolved on October, 2017.
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) and was liquidated on April, 2018.
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	
〃	SK Insurance Broker Co., Ltd.	Insurance brokers	100.00 %	100.00 %	Founded on April 12, 2017.

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

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

(i) the Group has power over the SPE;

(ii) the Group has exposure, or rights, to variable returns from its involvement with the SPE;

(iii) the Group has ability to use its power over to affect the amount of the SPE's returns.

3.Subsidiaries excluded from the consolidated financial statements: None.

(d) Foreign Currency

1.Foreign currency transaction

Transactions in foreign currencies are translated to the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortized cost in the functional currency at the beginning of the period, adjusted for the effective interest and payments during the period, and the amortized cost in foreign currency translated at the exchange rate at the end of the period.

Non monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date when fair value was determined. Non-monetary items in a foreign currency that are measured based on historical cost are translated using the exchange rate at the date of translation.

Foreign currency differences arising on retranslation are recognized in profit or loss, except for those differences relating to the following which are recognized in other comprehensive income:

1) fair value through other comprehensive income (Available-for-Sale) equity investment;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent the hedge is effective.

2.Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to the reporting currency at exchange rates at the reporting date. The income and expenses of foreign operations, are translated at average exchange rate. Translation differences are recognized in other comprehensive income, and presented in the foreign currency translation reserve in equity.

When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest. When the Group disposed of only part of investment in an associate or joint venture that includes a foreign operation while retaining significant or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising thereon form part of a net investment in the foreign operation and are recognized in other comprehensive income, and presented in the exchange differences on translation of foreign financial statements in equity.

3.Hedge of a net investment in foreign operation

Hedge accounting is adopted for hedge of a net investment in foreign operation, regardless of whether the net investment is held directly or through an intermediate parent.

Foreign currency differences arising on the retranslation of a financial liability designated as a hedge of a net investment in a foreign operation are recognized in other comprehensive income to the extent that the hedge is effective, and are presented in the exchange differences on translation of foreign financial statements in equity. To the extent that the hedge is ineffective, such differences are recognized in profit or loss.

(e) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non current.

1. It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

2. It is held primarily for the purpose of trading;

3. It is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non current.

An entity shall classify a liability as current when:

1. It is expected to be settled in the normal operating cycle;
2. It is held primarily for the purpose of trading;
3. It is due to be settled within twelve months after the reporting period; or
4. It does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(f) Cash and cash equivalents

Cash and cash equivalents comprise cash, cash in bank, and short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents. If they do not meet the above definition, time deposits are recognized as other current and non-current financial assets.

Bank overdrafts that are repayable on demand and form an integral part of the Group's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(g) Financial instruments

1.Financial assets (policy applicable from January 1, 2018)

Financial assets are classified into the following categories: measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL).

The Group shall reclassify all affected financial assets only when it changes its business model for managing its financial assets.

1) Financial assets measured at amortized cost

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

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

A financial asset measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

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

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

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

A financial asset measured at FVOCI is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses, and impairment losses, deriving from debt investments are recognized in profit or loss; whereas dividends deriving from equity investments are recognized as income in profit or loss, unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses of financial assets measured at FVOCI are recognized in OCI. On derecognition, gains and losses accumulated in OCI of debt investments are reclassified to profit or loss. However, gains and losses accumulated in OCI of equity investments are reclassified to retain earnings instead of profit or loss.

Dividend income derived from equity investments is recognized on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above are measured at FVTPL, including derivative financial assets and accounts receivable (except for those presented as accounts receivable but measured at FVTPL). On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets in this category are measured at fair value at initial recognition. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent changes that are measured at fair value, which take into account any dividend and interest income, are recognized in profit or loss.

4) Business model assessment

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

· the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management' s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realizing cash flows through the sale of the assets;

·how the performance of the portfolio is evaluated and reported to the Group's management;

·the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;

·how managers of the business are compensated — e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

·the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

·contingent events that would change the amount or timing of cash flows;

·terms that may adjust the contractual coupon rate, including variable rate features;

·prepayment and extension features; and

· terms that limit the Group' s claim to cash flows from specified assets (e.g. non-recourse features).

6) Impairment of financial assets

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

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

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

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

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

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

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

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

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

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or delay of payments;

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognized in other comprehensive income instead of reducing the carrying amount of the asset. The Group recognizes the amount of expected credit losses (or reversal) in profit or loss, as an impairment gain or loss.

The gross carrying amount of a financial asset is written off either partially or in full to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

7) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash flows from the assets expire, or when the Group transfers substantially all the risks and rewards of ownership of the financial assets.

On derecognition of a debt instrument in its entirety, the Group recognizes the difference between its carrying amount and the sum of the consideration received or receivable and any cumulative gain or loss that had been recognized in other comprehensive income and presented in "other equity – unrealized gains or losses on fair value through other comprehensive income", in profit or loss, and presented it in the line item of non-operating income and expenses in the statement of comprehensive income.

On derecognition of a financial asset other than in its entirety, the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in profit or loss, and presented in the line item of non-operating income and expenses. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

2.Financial assets (policy applicable before January 1, 2018)

Financial assets are classified into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

1) Financial assets at fair value through profit or loss

A financial asset is classified in this category if it is classified as held-for-trading or is designated as such on initial recognition.

Financial assets classified as held-for-trading if it is acquired principally for the purpose of selling in the short term. The Group designates financial assets, other than ones classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

A. Designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise

B. Performance of the financial asset is evaluated on a fair value basis

C. Hybrid contains one or more embedded derivatives

At initial recognition, financial assets in this category are measured at fair value. Attributable transaction costs are recognized in profit or loss as incurred. Subsequent to the initial recognition, financial assets at fair value through profit or loss are measured at fair value and changes therein, which takes into account any dividend and interest income, are recognized in profit or loss, and are included in operating revenue or other income and other gains or losses of non-operating revenues and expenses. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

2) Available-for sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated available-for-sale or are not classified in any of the other categories of financial assets. Available-for-sale financial assets are recognized initially at fair value, plus, any directly attributable transaction cost. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses, interest income calculated using the effective interest method, dividend income, and foreign currency differences on available-for - sale debt instruments, are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss, and is included in other income and other gains or losses of non-operating revenues and expenses. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date. Such dividend income is classified under dividend revenue of non-operating revenues and expenses.

3) Held-to-maturity financial assets

If the Group have the positive intent and ability to hold debt securities to maturity, such financial assets are classified as held-to-maturity. Held-to-maturity financial assets are recognized initially at fair value, plus, any directly attributable transaction costs. Subsequent to initial recognition, held-to-maturity financial assets are measured at amortized cost using the effective interest method, less any impairment losses. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

Interest income is recognized in profit or loss, under interest income of operating revenues or non-operating revenues and expenses.

4) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value, plus, any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any impairment losses, other than insignificant interest on short-term receivables. A regular way purchase or sale of financial assets is recognized and derecognized, as applicable, using trade date accounting.

5) Impairment of financial assets

Except for financial assets at fair value through profit or loss, other financial assets are assessed for impairment at each reporting date. A financial asset is impaired if, and only if, there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial assets that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers, economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is accounted for as objective evidence of impairment.

All individually significant receivables are assessed for specific impairment. Receivables that are not individually significant are collectively assessed for impairment by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group use historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or lesser than the one suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

An impairment loss in respect of a financial asset measured at cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss is not reversible in subsequent periods.

An impairment loss in respect of a financial asset is reduced from the carrying amount, except for accounts receivables, in which an impairment loss is reflected in an allowance account against the receivables. When it is determined a receivable is uncollectible, it is written off from the allowance account. Changes in the amount of the allowance accounts are recognized in profit or loss.

Impairment losses on available-for-sale financial assets are recognized by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss.

If, in a subsequent period, the amount of impairment loss of financial assets measured at amortized cost decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the decrease in impairment loss is reversed through profit or loss, to the extent that the carrying value of the asset does not exceed its amortized cost before impairment was recognized at the reversal date.

Impairment losses recognized on available-for-sale equity security are not reversed through profit or loss. Any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognized in other comprehensive income, and accumulated in other equity. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognized, then the impairment loss is reversed, with the amount of the reversal recognized in profit or loss.

6) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the asset are terminated, or when the Group transfer substantially all the risks and rewards of ownership of financial assets.

3.Financial liabilities and equity instruments

1) Financial liabilities at fair value through profit or loss

A financial liability is classified in this category if it is classified as held-for-trading or is designated as such on initial recognition.

Financial liabilities are classified as held-for-trading if it is acquired principally for the purpose of selling in the short term. The Group designates financial liabilities, other than those classified as held-for-trading, as at fair value through profit or loss at initial recognition under one of the following situations:

A. Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses thereon on different basis;

B. Performance of the financial liabilities is evaluated on a fair value basis;

C. Hybrid instrument contains one or more embedded derivatives.

Attributable transaction costs are recognized in profit or loss as incurred. Financial liabilities at fair value through profit or loss are measured at fair value and changes therein, which takes into account any interest expense, are recognized in profit or loss, under other gains or losses of non-operating revenues and expenses.

2) Other financial liabilities

Financial liabilities not classified as held-for-trading, or designated as at fair value through profit or loss are measured at fair value, plus, any directly attributable transaction cost at the time of initial recognition. Subsequent to initial recognition, they are measured at amortized cost calculated using the effective interest method. Interest expense not capitalized as capitalized cost is recognized in profit or loss, and is included in operating costs.

4.Derivative financial instruments and hedge accounting (policy applicable from January 1, 2018)

The Group holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Derivatives are initially measured at fair value. Any attributable transaction costs thereof are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognized in profit or loss and are included in the line item of non-operating income and expenses in the statement of comprehensive income. When a derivative is designated as, and effective for, a hedging instrument, its timing of recognition in profit or loss is determined based on the nature of the hedging relationship. When the fair value of a derivative instrument is positive, it is classified as a financial asset, whereas when the fair value is negative, it is classified as a financial liability.

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the non-financial asset's host contract are not closely related to the embedded derivatives and the host contract is not measured at FVTPL.

The Group designates its hedging instruments, including derivatives, embedded derivatives, and non-derivative instruments for a hedge of a foreign currency risk, as a fair value hedge, cash flow hedge, or hedge of a net investment in a foreign operation. Foreign exchange risks of firm commitments are treated as fair value hedges.

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

The Group shall discontinue hedge accounting prospectively only when the hedging relationship (or a part of a hedging relationship) ceases to meet the qualifying criteria (after taking into account any rebalancing of the hedging relationship, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised.

1) Fair value hedges

The gain or loss on the hedging instrument shall be recognized in profit or loss, if the hedging instrument hedges an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income.

Any changes in the fair value attributable to the hedged risk of the hedged item which is not measured at fair value are adjusted within the carrying amount and recognized in profit and loss. If the hedged item is a debt instrument that is measured at fair value through other comprehensive income, the hedging gains or losses on the hedged item shall be recognized in profit or loss. However, if the hedged item is an equity instrument for which an entity has elected to present changes in fair value in other comprehensive income, the hedging gains or losses shall remain in other comprehensive income. The hedging gains or losses on the hedged item shall be recognized in the line item of the statement of profit or loss and other comprehensive income.

2) Cash flow hedges

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income and accumulated in "other equity —hedging gains (losses) on hedging instruments". The effective portion of changes in the fair value of the derivative that is recognized in other comprehensive income is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss, under other gains or losses of non-operating revenue and expenses.

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

When the hedged item is recognized in profit or loss, the amount accumulated in equity and retained in other comprehensive income is reclassified to profit or loss in the same period or periods during which the hedged item affects profit or loss, and is presented in the same accounting item with the hedged item recognized in the consolidated statement of comprehensive income. However, for a cash flow hedge of a forecast transaction recognized as a non-financial asset or liability, the amount accumulated in "other equity —gains(losses) on hedging instruments" and retained in other comprehensive income is reclassified as the initial cost of the non-financial asset or liability. In addition, if that amount is a loss and the Group expects that all or a portion of that loss will not be recovered in future periods, it shall immediately reclassify the amount into profit or loss.

When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in the cash flow hedge reserve (and cost of hedging) remains in equity until the hedge future cash flows are no longer expected to occur. Otherwise, that amount would be adjusted within the carrying amount of the non-financial item. For other cash flow hedges, the amount is reclassified to profit or loss in the same period or in the periods as the hedged expected future cash flows affect the profit or loss. However, if the hedged future cash flows are no longer expected to occur, the amount shall immediately be reclassified from cash flow reserve (and the cost of hedging reserve) to profit or loss.

3) Hedge of a net investment in a foreign operation

The transaction of the hedge of a net investment in a foreign operation is similarly to cash flow hedges. Any effective portion of the gains or losses on a hedging instrument is recognized under other comprehensive income and presented in "other equity — foreign operation translation reserve". Any ineffective portion of such gains or losses is recognized in profit or loss, under other gains or losses of non-operating revenue and expenses.

The gains and losses on an effective portion of a hedging instrument presented in "other equity —hedging gains (losses)" is reclassified in profit or loss, under other gains or losses of non-operating revenue and expenses.

5.Derivative financial instruments, including hedge accounting (policy applicable before January 1, 2018)

Except for the following items, the Group applies the same accounting policies as applicable from January 1, 2018.

Embedded derivatives are separated from the host contract and accounted for separately when the economic characteristics and risk of the host contract and the embedded derivatives are not closely related.

The policy applied in the comparative information presented for 2017 is similar to that applied for 2018. However, for all cash flow hedges, including hedges of transactions resulting in the recognition of non-financial items, the amounts accumulated in the cash flow hedge reserve were reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affected profit or loss. Furthermore, for cash flow hedges that were terminated before 2017, forward points were recognized immediately in profit or loss.

(h) Investment in associates

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

Investments in associates are accounted for using the equity method and are recognized initially at cost. The cost of the investment includes transaction costs. The carrying amount of the investment in associates includes goodwill arising from the acquisition less any accumulated impairment losses.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of associates, after adjustments to align their accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases. The Group recognizes any changes, proportionately with the shareholding ratio under capital surplus, when an associate's equity changes due to reasons other than profit and loss or comprehensive income, which did not result in changes in actual controlling power.

Unrealized profits resulting from transactions between the Group and an associate are eliminated to the extent of the Group's interest in the associate. Unrealized losses on transactions with associates are eliminated in the same way, except to the extent that the underlying asset is impaired.

When the Group's share of losses exceeds its interests in an associate, the carrying amount of the investment, including any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent the Group has an obligation or has made payments on behalf of the associate.

(i) Property, plant, and equipment

1.Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset. The cost of a self-constructed asset comprises material, labor, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, and any borrowing cost that eligible for capitalization. Cost also includes transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment. The cost of the software is capitalized as part of the property, plant and equipment if the purchase of the software is necessary for the property, plant and equipment to be capable of operating.

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and is recognized under operating costs and net other income and expenses of profit or loss.

2.Subsequent cost

Subsequent expenditure is capitalized only when it is probable that future economic benefits associated with the expenditure will flow to the Group. The carrying amount of those parts of fixed assets that are replaced is derecognized. Ongoing repairs and maintenance is expensed as incurred.

3.Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately.

Leased assets are depreciated by using straight-line method during the period of expected use, consistent with the depreciation policy the lessee adopts for depreciable assets that are owned. If there is reasonably certainty that the lessee will obtain ownership by the end of the lease term, the period of expected use is the useful life of the asset; otherwise, the asset is depreciated over the shorter of the lease term and its useful life.

Land has an unlimited useful life and therefore is not depreciated.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

1) Buildings	20~60 years
2) Transportation equipment	3~ 6 years
3) Miscellaneous equipment	4~16 years
4) Assets held for lease	1~12 years
5) Leasehold improvements	5 years

The depreciation methods, useful lives, and residual values are reviewed at each reporting date. If expectations differ from the previous estimates, the change is accounted for as a change in an accounting estimate.

(j) Leases

Agreements which transfer to counterparties substantially all the risks and rewards incidental to the ownership of assets, but not necessarily legal title, are classified as finance leases. If the Group is a lessor under finance leases, the amounts due under such leases, after deduction of unearned charges, are accounted for as 'Loans and receivables' as appropriate. The difference between the gross receivable and the present value of the receivable is recognized as unearned finance income. Unearned finance income is amortized and recognized as interest revenue of operating revenues over the periods of the leases in order to give a constant rate of return on the net investment in the leases.

If the Group is lessees under finance leases, leased assets are capitalized to 'Property, plant and equipment' and the corresponding liability to the lessor is accounted for as 'Other payables'. A finance lease and its corresponding liability are recognized initially at the fair value of the asset or, if lower, the present value of the minimum lease payments. Finance charges payable are recognized over the period of the lease based on the interest rate implicit in the lease in order to give a constant rate of interest on the remaining balance of the liability.

All other leases are classified as operating leases. As a lessor, the Group classifies the assets used for operating leases as 'Property, plant and equipment' which are accounted for accordingly. Impairment losses thereon are recognized for the excess of the carrying value over the recoverable amount of those assets. As a lessee, the Group does not recognize the leased assets on the balance sheets.

Rentals expenses and revenue under operating leases are accounted for on a straight-line basis over the periods of the leases and are included in 'Costs of rental revenue', 'Other operating cost' of operating costs and 'Rental revenue' of operating revenue, respectively.

The electricity procurement agreement entered into by the Group was accounted for under IFRIC4 "Determining Whether an Arrangement Contains a Lease" and accounted for as finance leases.

(k) Intangible assets

1.Goodwill

Goodwill is measured at cost less accumulated impairment losses. Impairment loss on equity investment in investees accounted for under the equity method is not allocated to any asset, including goodwill that forms part of the carrying amount of such investment.

2.Other intangible assets

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses. The amortizable amount is determined based on the cost of an asset less its residual values. Amortization is recognized in profit or loss on a straight line basis over the estimated useful lives of intangible assets from the date when they are made available for use. The residual value, amortization period and amortization method for an intangible asset are reviewed at least annually at each financial year end. Any change thereof is accounted for as a change in accounting estimate.

(l) Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than assets arising from construction contracts, deferred tax assets, and assets arising from employee benefits, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset' s recoverable amount is estimated. If it is not possible to determine the recoverable amount (fair value less cost to sell and value in use) for the individual asset, then the Group determine the recoverable amount for the asset's cash-generating unit (CGU).

The recoverable amount for individual asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. The excess of carrying amount of the asset over its recoverable amount is recognized as an impairment loss which is charged to profit or loss.

An assessment is made at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or may have decreased. If any such indication exists, the recoverable amount of that asset is estimated.

An impairment loss recognized in prior periods for an asset other than goodwill is reversed if, and only if, there has been an improvement in the estimates used to determine the asset' s recoverable amount since the last impairment loss was recognized.

Notwithstanding whether indicators exist, recoverability of goodwill and intangible assets with indefinite useful lives or those not yet in use is tested at least annually. Impairment loss is recognized if the recoverable amount is less than the carrying amount.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the acquirer' s cash-generating units, or groups of cash-generating units, that is expected to benefit from the synergies of the combination.

If the carrying amount of each of the cash-generating units exceeds the recoverable amount of the unit, impairment loss is recognized and is allocated to reduce the carrying amount of each asset in the unit.

Reversal of an impairment loss for goodwill is prohibited.

(m) Revenue

1.Sales revenue

Sales revenue is recognized when title of ownership to the product and the risks and rewards of ownership are transferred to the customer.

2.Installment sales revenue

The revenue from installment sales is calculated using ordinary sales method. Under this method, gross profit between sales determined at normal selling price and cost of sales is recognized on selling date. The excess installment sales over the sales determined at normal selling price is treated as unearned interest revenue, which is subsequently recognized as interest revenue by using the interest method. Unearned interest revenue is treated as a deduction item of installment sales receivable. The ownership of the property is transferred upon receipt of the full amount of installment sales receivable.

3.Leasing business

Lease contracts are classified as capital or operating leases based on certain criteria, such as the lease terms, the likelihood of collecting receivables under lease contracts, and future cost to be borne by the lessor. The revenues generated from leasing business are interest revenue for capital leases and rental revenue for operating leases.

4.Loans receivable

Loans are recorded at its principal amount. Interest income is recognized on accrual basis. If the collectability of interest receivable is in question, the recognition of interest income is deferred to the point of collection.

5.Accounting for factoring of accounts receivable

The Group is engaged in factoring of accounts receivable with or without recourse. Factoring of accounts receivable is treated as a purchase if it meets the conditions described below, otherwise, it is treated as financing of accounts receivable:

1) When the factoring transfers and surrenders all or part of the control over the financial assets, the factored receivables are deemed to be reasonably collectable with no restrictions.

2) Control over transferred accounts receivable is deemed to have been transferred under all of the following conditions:

A. The transferred accounts receivable are isolated from the transferor – put presumptively beyond the reach of the transferor and its creditors, even in bankruptcy or other receivership situation.

B. Either (1) each transferee obtains the right – free of conditions that prevent the transferee from taking advantage of that right – to pledge or exchange the transferred accounts receivable or (2) the transferee is a qualifying special-purpose entity and the holders of beneficial interests in that entity have the right – free of conditions that prevent them from taking advantage of the right – to pledge or exchange those interests.

C. The transferor does not maintain effective control over the transferred accounts receivable through (1) an agreement that both entitle and obligates the transferor to repurchase or redeem them before their maturity or (2) an agreement that entitles the transferor to repurchase or redeem transferred accounts receivable that are not readily obtainable.

6.Fee and commission

Fee and commission income is earned from a range of services rendered by the Group to its customers, and comprises income earned from services rendered over a period of time as well as transaction-type services.

Fees earned from providing services over a period of time are recognized over the service period during which the related service is provided or credit risk is undertaken. Fee and commission income from such services comprises mainly loans, guarantees, and other management and advisory fees.

(n) Employee benefits

1.Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

2.Defined benefit plans

Aside from the defined contribution plan, the Group also maintains defined benefit plans, which are post-employment benefit plans, for their employees. The Group's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; based on the discounted present value of the said defined benefit obligation. Any unrecognized past service costs and the fair value of any plan assets are deducted for purposes of determining the Group's net defined benefit obligation. The discount rate used in calculating the present value is the market yield at the reporting date of government bonds that have maturity dates approximating the terms of the Group's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. If the calculation results in a benefit to the Group, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In calculating the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Group. An economic benefit is available to the Group if it is realizable during the life of the plan, or on settlement of the plan liabilities.

If the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees, pension cost is recognized immediately in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses, (2) the return on plan assets (excluding interest) and (3) the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other comprehensive income. The Group can reclassify the amounts recognized in other comprehensive income to retained earnings or other equity. If the amounts recognized in other comprehensive income are transferred to other equity, they shall not be reclassified to profit or loss or recognized in retained earnings in a subsequent period.

Gains or losses on the curtailment or settlement of a defined benefit plan are recognized when the curtailment or settlement occurs. The gain or loss on curtailment arises from change in the fair value of plan assets, any change in the present value of defined benefit obligation, and any related actuarial gains or losses and past service cost which had not been previously recognized.

(o) Income taxes

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

Current taxes include tax payables and tax deduction receivables on taxable gains (losses) for the year calculated using the statutory tax rate on the reporting date or the actual legislative tax rate, as well as tax adjustments related to prior years.

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

1.Assets and liabilities that are initially recognized but are not related to the business combination and have no effect on net income or taxable gains (losses) during the transaction.

2.Temporary differences arising from equity investments in subsidiaries or joint ventures where there is a high probability that such temporary differences will not reverse.

3.Initial recognition of goodwill.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, which are normally the tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities may be offset against each other if the following criteria are met:

1.the entity has the legal right to settle tax assets and liabilities on a net basis; and

2.the taxing of deferred tax assets and liabilities fulfill one of the below scenarios:

1) levied by the same taxing authority; or

2) levied by different taxing authorities, but where each such authority intends to settle tax assets and liabilities (where such amounts are significant) on a net basis every year of the period of expected asset realization or debt liquidation, or where the timing of asset realization and debt liquidation is matched.

A deferred tax asset is recognized for the carry-forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized. Such unused tax losses, unused tax credits, and deductible temporary differences are also be re-evaluated every year on the financial reporting date, and adjusted based on the probability that future taxable profit will be available against which the unused tax losses, unused tax credits, and deductible temporary differences can be utilized.

(q) Business combination

Goodwill is measured at the consideration transferred less the amounts of the identifiable assets acquired and liabilities assumed (generally at fair value) at the acquisition date. If the amount of net assets acquired and liabilities assumed exceeds the acquisition price, the Group reassesses whether it has correctly identified all of the assets acquired and liabilities assumed, and recognizes a gain for the excess.

All transaction costs relating to a business combination are recognized immediately as expenses when incurred, except for the issuance of debt or equity instruments.

The Group shall measure any non controlling interests in the acquiree either at fair value or at the non controlling interest's proportionate share of the acquiree's identifiable net assets, if the non controlling interests are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation. Other non controlling interests are evaluated by their fair value or by another basis permitted by the IFRSs endorsed by the FSC.

(p) Earnings per share

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

(q) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may incur revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance. Each operating segment consists of standalone financial information.

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

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

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the next period.

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

(a) Judgment regarding control of subsidiaries

Although the Company's ownership was lower than 50% of the subsidiary's outstanding shares, the subsidiary was consolidated. This is because the other 51.82% ownership was dispersed and no evidence of joint policy making agreement among those stockholders. Also, the low participation rate of other shareholders in past shareholders' meetings indicates that the Company owns the actual power to control.

(b) Financial asset and liability classification

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

(i) Financial assets are designated as fair value through profit or loss, if they meet the criteria for being classified as assets as set out in accounting policy disclosure Note 4(g).

(ii) Financial assets are designated as fair value through other comprehensive income, if they met the criteria for being classified as assets as set out in accounting policy disclosure Note 4(g).

(iii) Financial assets are designated as amortized cost, if they met the criteria for being as assets as set out in accounting policy disclosure Note 4(g).

(c) Securitizations

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

(i) If the Group, in substance, controls the entity in which financial assets have been transferred, the entity is included in these consolidated financial statements and the transferred assets are recognized in the Group's consolidated balance sheet.

(ii) If the Group has transferred financial assets to another entity, but has not transferred substantially all of the risk and rewards relating to the transferred assets, the assets are recognized in the Group's consolidated balance sheet.

(iii) If the Group transfers substantially all the risk and rewards relating to the transferred assets to an entity that it does not control, the assets are derecognized from the Group's consolidated balance sheet.

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

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

(a) Impairment losses on loans and receivables

Impairment allowances on loans and receivables represent management's best estimate of losses incurred in the loan portfolios at the balance sheet date. Management is required to exercise judgment in making assumptions and estimations when calculating loan and receivables impairment allowances on both individually and collectively assessed loans and receivables.

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

All individually significant loans and receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics. The current methodology used for impairment assessment is subject to estimation of uncertainty, because it is not practicable to identify losses individually due to the large number of insignificant loans in the portfolio. In addition, the statistical analyses of historical information is supplemented with significant judgment to assess whether current economic and credit conditions are such that the actual level of inherent losses is likely to be greater or less than that suggested by historical experience. In normal circumstances, historical experience provides the most objective and relevant information from which to assess inherent loss within each portfolio. In certain circumstances, historical loss experience provides certain less relevant information about the inherent loss in a given portfolio at the balance sheet date, for example, where there have been changes in economic, regulatory or behavioral conditions such that the most recent trends in the portfolio risk factors are not fully reflected in the statistical models of impairment assessment. In these circumstances, such factors are taken into account when calculating the appropriate levels of impairment allowances, by adjusting the impairment allowances derived solely from historical loss experience.

This key area of judgment is subject to uncertainty and is highly sensitive to factors such as loan portfolio growth, product mix, unemployment rates, bankruptcy trends, geographic concentrations, economic conditions such as national and local trends in housing markets, the level of interest rates, account management policies and practices, changes in laws and regulations, and other factors that can affect customer payment patterns. Different factors are applied in different regions and countries to reflect different economic and credit conditions and laws and regulations. The assumptions underlying this judgment are highly subjective. The methodology and the assumptions used in calculating impairment losses are reviewed regularly in the light of differences between loss estimates and actual loss experience. For example, loss rates and the expected timing of future recoveries are regularly benchmarked against actual outcomes to ensure they remain appropriate.

(b) Impairment losses on non financial assets

The Group reviews the carrying amounts of the assets at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount or value in use is estimated. Determining the value in use of non financial assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment losses could have a material adverse impact on the Group's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgment and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charges.

(c) Impairment of available for sale investment securities

Significant judgment is required in determining the impairment of financial assets at fair value through other comprehensive income at each reporting date and this requires management to make estimates and assumptions that can affect the financial statements. Management is required to exercise judgment in determining whether there is objective evidence that an impairment loss has occurred.

The best evidence of whether there is indication of impairment loss for quoted investment securities is the quoted prices in an actively traded market. For unquoted investment securities, in the event that the market for the unquoted investment securities is not active, a valuation technique is used. The majority of valuation techniques employ only observable market data, and so the reliability of the fair value measurement is high. However, certain unquoted investment securities are valued on the basis of valuation techniques that feature one or more significant market inputs that are unobservable. Valuation techniques that rely to a greater extent on unobservable inputs require a higher level of management judgment to calculate a fair value than those based wholly on observable inputs and consequently, the determination of whether there any indication of impairment is subject to a high degree of variability.

Once impairment has been identified, the amount of impairment loss is measured in relation to the fair value of the asset. Any resulting impairment losses could have an impact on the Group's financial results.

(d) Valuation Process

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

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

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

·Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

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

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

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	2018.12.31	2017.12.31
Cash and demand deposits	$ 16,615,450	18,708,765
Time deposits	391,564	321,828
Cash equivalents-repurchase bills	572,953	-
Cash and cash equivalents	17,579,967	19,030,593
Bank overdraft	(14,436)	-
Cash and cash equivalents in consolidated statements of cash flows	$ 17,565,531	19,030,593

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

(b) Financial instruments

1.The components of financial assets were as follows：

	2018.12.31	2017.12.31
Financial assets designated as at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss：		
Securities of listed companies	$ 255,306	-
Private equity	480	-
Non-hedging derivatives	749,856	-
Sub-total	1,005,642	-
Held for trading		
Securities of listed companies	-	48,977
Non-hedging derivatives	-	595
Sub-total	-	49,572
Financial assets at fair value through other comprehensive income		
Securities of listed companies	838,348	-
Emerging stock	3,366	-
Private equity	105,466	-
Sub-total	947,180	-
Available-for-sale financial assets		
Securities of listed companies	-	980,828
Emerging stock	-	2,536
Private equity	-	94,577
Sub-total	-	1,077,941
Financial assets measured at amortized cost		
Investment in debt securities	12,270,581	-
Held-to-maturity investments		
Investment in debt securities	-	7,836,447
Current financial assets for hedging	94,684	-
Total	$ 14,318,087	8,963,960

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. As of December 31, 2017, financial assets were classified as available-for-sale financial assets under IAS 39.

2.The accounts receivable classified as hybrid contract held by the Company was designated at fair value. The revaluation losses on accounts receivable was $603 for the year ended December 31, 2018.

3.Available-for-sale financial assets were classified as financial assets at fair value through other comprehensive income as of December 31, 2018.

4.Held-to-maturity investment

1) Held-to-maturity financial assets were classified as financial assets at amortized cost under IFRS 9 as of December 31, 2018.

2) The Group purchased debt securities issued by real estate asset trust. These debt securities have maturity dates between 2018 and 2021, and bear effective annual interest rate ranging from 2.53%~8.20%.

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

(c) Derivative instruments used for hedging

As of December 31, 2018 and 2017, the Group held derivative instruments qualified for hedge accounting as follows:

		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

		2017.12.31			
Nominal Amount		Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	6,720	USD to MYR	4.58%	90 Day LIBOR+ 1.4%	2017.08.08~
MYR	27,468				2020.02.29
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18

1.Cash flow hedge

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

		Fair Value			
Hedged item	Hedge Instrument	2018.12.31	2017.12.31	Expected Cash flow Period	Hedge Period
USD loans	Cross Currency Swap	$ 94,684	(205)	2017~2020	2017~2020
JPY loans	Cross Currency Swap	(6,022)	-	2018~2021	2018~2021

	For the years ended December 31,	
Item	2018	2017
The fair value adjustment to other comprehensive income	$ (298,490)	(205)

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:

	Designated Hedging Instrument		
		Fair Value	
Hedged Item	Hedge Instrument	2018.12.31	2017.12.31
Equity investment measured in USD	Foreign currency borrowings	$ 3,440,080	1,845,120

There were no effects of ineffectiveness recognized in profit or loss that arises from hedges of net investments in foreign operation, Golden Bridge (B.V.I.) Corp., for the years ended December 31, 2018 and 2017.

(d) Accounts receivable, net

	2018.12.31	2017.12.31
Current		
Accounts receivable	$ 25,017,035	20,948,120
Less: Allowance for impairment	(672,901)	(607,119)
	24,344,134	20,341,001
Installment sales receivable	89,864,903	80,245,671
Less: Unearned interests	(8,596,689)	(7,449,734)
Allowance for impairment	(3,030,389)	(2,975,760)
	78,237,825	69,820,177
Leases receivable (included operating leases)	136,913,485	100,768,338
Less: Unearned revenue	(18,984,723)	(12,433,697)
Allowance for impairment	(3,873,586)	(3,638,173)
	114,055,176	84,696,468
Loans receivable	48,582,739	44,053,445
Less: Allowance for impairment	(986,297)	(946,230)
	47,596,442	43,107,215
Sub-total of current accounts	264,233,577	217,964,861
Non Current		
Accounts receivable	11,530,100	7,590,737
Less: Allowance for impairment	(167,035)	(112,129)
	11,363,065	7,478,608
Installment sales receivable	41,578,182	33,914,394
Less: Unearned interests	(4,699,281)	(3,610,429)
Allowance for impairment	(620,965)	(579,098)
	36,257,936	29,724,867
Leases receivable	37,519,113	22,302,940
Less: Unearned revenue	(13,614,760)	(7,281,888)
Allowance for impairment	(149,286)	(126,135)
	23,755,067	14,894,917
Loans receivable	7,754,978	5,869,006
Less: Allowance for impairment	(347,364)	(284,624)
	7,407,614	5,584,382
Sub-total of non current accounts	78,783,682	57,682,774
Total accounts receivable	$ 343,017,259	275,647,635

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

	For the years ended December 31,	
	2018	2017
Opening balance (Under IAS 39)	$ 9,269,268	8,502,229
Initial adjustment of IFRS 9	429,180	-
Opening balance (Under IFRS 9)	9,698,448	8,502,229
Impairment loss recognized	3,782,855	4,188,214
Bad debts written off	(3,619,218)	(3,344,344)
Other	(35,229)	(76,831)
Effect of exchange rate changes	20,967	-
Ending balance	$ 9,847,823	9,269,268

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

	Gross investment in the leases	Unearned revenue	Present value of minimum leases receivable
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	26,836,617	(12,343,807)	14,492,810
	$ 174,297,402	(32,599,483)	141,697,919
December 31, 2017			
Within operating cycle	$ 100,650,820	(12,433,697)	88,217,123
Beyond one operating cycle to 5 years	8,764,948	(1,035,424)	7,729,524
Beyond 5 years	13,537,992	(6,246,464)	7,291,528
	$ 122,953,760	(19,715,585)	103,238,175

The Group entered into several electricity procurement agreements with Taiwan Power Company (Refer to Note(9) for details of these agreements). Under these agreements, the production of electric power will be only sold to Taiwan Power Company from the day the power plants are put into commercial operation. The average lease term is approximately twenty years.

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

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

		2018.12.31	2017.12.31
Within operating cycle	$	2,597,706	2,342,669
Beyond one operating cycle to 5 years		2,029,923	2,128,073
Beyond 5 years		43,345	7,149
	$	4,670,974	4,477,891

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
December 31, 2018				
Within operating cycle	$	89,864,903	(8,596,689)	81,268,214
Beyond one operating cycle to 5 years		39,630,256	(4,432,772)	35,197,484
Beyond 5 years		1,947,926	(266,509)	1,681,417
	$	131,443,085	(13,295,970)	118,147,115
December 31, 2017				
Within operating cycle	$	80,245,671	(7,449,734)	72,795,937
Beyond one operating cycle to 5 years		32,828,984	(3,455,769)	29,373,215
Beyond 5 years		1,085,410	(154,660)	930,750
	$	114,160,065	(11,060,163)	103,099,902

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

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

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

7. 2016 Securitization

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

1) The amount received from disposal of financial assets.

2) Adjusted book value of disposed financial assets.

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

These beneficiary certificates are redeemable for the period from August 24, 2016 to August 24, 2023. Specific terms and conditions of the beneficiary certificates are as follows:

Class of beneficiary certificates issued	Order of principal repayment	Issue amount /par value	Issue price	Interest rate	Payment frequency
twAAA	1st	3,750,000	3,750,000	1.90 %	Monthly
twA	2nd	343,200	343,200	2.45 %	Monthly
Subordinated	3rd	880,589	1,118,309	None	Monthly

(e) Other current assets - others

	2018.12.31	2017.12.31
Prepayments	$ 3,011,079	2,979,439
Prepaid expenses	1,768,036	1,269,825
Foreclosed assets	281,950	110,111
Others	1,783	8,396
	$ 5,062,848	4,367,771

As of December 31, 2018 and 2017, foreclosed assets held by the Group were as follows:

	2018.12.31	2017.12.31
Foreclosed assets	$ 356,641	154,968
Less: Accumulated impairment	(74,691)	(44,857)
	$ 281,950	110,111

For the years ended December 31, 2018 and 2017, the Group recognized an impairment loss of $27,634 and $27,284, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and a disposal loss of $143,693 and $99,416 for the years ended December 31, 2018 and 2017, 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:

	2018.12.31	2017.12.31
Investments in affiliates	$ 1,268,249	1,146,881

	For the years ended December 31,	
	2018	2017
Comprehensive income attributable to the Group		
Gain (loss) for the period	$ (77,117)	3,750
Other comprehensive income	(3,745)	-
Total comprehensive income	$ (80,862)	3,750

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

(g) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group as of and for the years ended December 31, 2018 and 2017, were as follows:

	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Cost:					
Balance at January 1, 2018	$ 2,934,645	11,129,091	1,448,670	173,084	15,685,490
Additions	31,701	3,427,305	452,468	14,930	3,926,404
Disposals	-	(2,717,755)	(196,592)	(162)	(2,914,509)
Acquisition of subsidiaries	-	-	2,139	1,096	3,235
Effect of movements in exchange rate	(25,928)	40,140	3,903	313	18,428
Balance at December 31, 2018	$ 2,940,418	11,878,781	1,710,588	189,261	16,719,048
Balance at January 1, 2017	$ 2,950,164	10,256,226	1,657,474	160,530	15,024,394
Additions	-	3,162,864	525,866	14,839	3,703,569
Reclassification	-	384	195	-	579
Disposals	-	(2,189,036)	(729,368)	-	(2,918,404)
Effect of movements in exchange rate	(15,519)	(101,347)	(5,497)	(2,285)	(124,648)
Balance at December 31, 2017	$ 2,934,645	11,129,091	1,448,670	173,084	15,685,490
Depreciation and impairment losses:					
Balance at January 1, 2018	$ 586,820	3,949,680	956,336	133,427	5,626,263
Depreciation for the year	53,026	1,996,023	174,799	13,877	2,237,725
Impairment loss	-	239,618	96,656	-	336,274
Reversal of an impairment loss	(41,751)	-	-	-	(41,751)
Disposals	-	(1,784,425)	(24,913)	(162)	(1,809,500)
Acquisition of subsidiaries	-	-	1,072	1,096	2,168
Effect of movements in exchange rate	(3,232)	17,564	4,046	190	18,568
Balance at December 31, 2018	$ 594,863	4,418,460	1,207,996	148,428	6,369,747
Balance at January 1, 2017	$ 535,773	3,260,871	771,666	119,870	4,688,180
Depreciation for the year	51,803	1,825,372	184,602	14,178	2,075,955
Impairment loss	-	296,663	186,495	-	483,158
Disposals	-	(1,405,541)	(181,976)	-	(1,587,517)
Effect of movements in exchange rate	(756)	(27,685)	(4,451)	(621)	(33,513)
Balance at December 31, 2017	$ 586,820	3,949,680	956,336	133,427	5,626,263
Carrying amounts:					
Balance at December 31, 2018	$ 2,345,555	7,460,321	502,592	40,833	10,349,301
Balance at December 31, 2017	$ 2,347,825	7,179,411	492,334	39,657	10,059,227
Balance at January 1, 2017	$ 2,414,391	6,995,355	885,808	40,660	10,336,214

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 1.12%~5.89% and 1.31%~6.06% for the years ended December 31, 2018 and 2017, 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) Intangible assets

The costs of intangible assets, amortization, and the impairment loss of the Group as of and for the years ended December 31, 2018 and 2017, were as follows:

	Goodwill	Software	Total
Cost:			
Balance at January 1, 2018	$ 46,508	52,168	98,676
Additions	14,345	1,548	15,893
Effect of movements in exchange rate	258	1,642	1,900
Balance at December 31, 2018	$ 61,111	55,358	116,469
Balance at January 1, 2017	$ 46,508	60,937	107,445
Additions	-	1,066	1,066
Reclassification	-	(10,159)	(10,159)
Effect of movements in exchange rate	-	324	324
Balance at December 31, 2017	$ 46,508	52,168	98,676
Amortization and impairment losses:			
Balance at January 1, 2018	$ 60	34,756	34,816
Amortization for the year	-	4,752	4,752
Effect of movements in exchange rate	-	1,155	1,155
Balance at December 31, 2018	$ 60	40,663	40,723
Balance at January 1, 2017	$ -	29,544	29,544
Amortization for the year	-	4,812	4,812
Impairment losses	60	-	60
Effect of movements in exchange rate	-	400	400
Balance at December 31, 2017	$ 60	34,756	34,816

	Goodwill	Software	Total
Carrying amounts:			
Balance at December 31, 2018	$ 61,051	14,695	75,746
Balance at January 1, 2017	$ 46,508	31,393	77,901
Balance at December 31, 2017	$ 46,448	17,412	63,860

For the years ended December 31, 2018 and 2017, the amortization of intangible assets amounted to $4,752 and $4,812, respectively. This amortization was accounted for as operating expense of the consolidated statement of comprehensive income.

(i) Short-term notes and bills payable

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

	2018.12.31		
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
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			(176,416)
Total			$ 65,273,584

	2017.12.31		
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
Commercial paper payables	Bank	0.57%~1.24%	$ 29,715,000
	Bills Finance Company	0.74%~1.30%	24,950,000
Less: Discount on short-term notes and bills payable			(109,407)
Total			$ 54,555,593

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

(j) Long-term and short-term borrowings

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

	2018.12.31			
	Currency	Annual 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				$ 196,674,346
Current				$ 154,245,526
Non-current				42,428,820
Total				$ 196,674,346

	2017.12.31			
	Currency	Annual Interest Rate	Years of Maturity	Amount
Secured bank loans	USD	2.17%~4.75%	2018~2019	$ 1,711,595
〃	THB	2.05%~4.12%	2018~2020	8,199,616
〃	CNY	3.91%~5.23%	2018~2020	26,558,525
〃	VND	2.88%~4.98%	2018	3,653,837
Unsecured bank loans	TWD	0.57%~2.11%	2018~2027	50,260,357
〃	USD	2.15%~4.60%	2018~2020	16,578,506
〃	EUR	0.96%~1.25%	2018	544,222
〃	THB	2.05%~3.40%	2018~2020	13,211,350
〃	JPY	1.15%~1.25%	2018	81,923
〃	CNY	4.35%~4.99%	2018~2020	24,772,560
〃	HKD	1.75%%	2018	64,717
〃	MYR	4.00%~4.80%	2018	1,852,864
〃	GBP	1.47%%	2018	140,385
Notes payable from securitization	TWD	1.85%~2.65%	2019~2021	6,689,879
Total				$ 154,320,336
Current				$ 117,679,580
Non-current				36,640,756
Total				$ 154,320,336

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

1.Securities for bank loans

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

2.Financial covenants of significant loans and borrowings

1) The Company, entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

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

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

4) A subsidiary, Asia Sermkij Leasing Public Co., Ltd., likewise entered into several credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.

5) A subsidiary, Grand Pacific Financing Corp. (California), entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loan is due and payable immediately.

6) A subsidiary, Fina Finance & Trading Co., Ltd., entered into several syndicated credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. current ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

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

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

9) A subsidiary, Chailease International Corp., entered into several credit/loan agreements with financial institutions. Under these agreements, the Company shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, recovery of account receivable, etc.) Otherwise, the loans are due and payable immediately.

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

11) A subsidiary, Chailease International Financial Services Co., Ltd., entered into several credit/loan agreements with financial institutions, under which, Chailease Finance Co., Ltd., shall maintain certain parent only financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.

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

As of December 31, 2018 and 2017, the Group was in compliance with the financial covenants mentioned above.

(k) Bonds payable

				2018.12.31		
Period	Annual Interest Rate	Principal Amount	Repayment Terms	Within Operating Cycle	Beyond Operating Cycle	Collateral
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	〃

Period	Annual Interest Rate	Principal Amount	Repayment Terms	2018.12.31 Within Operating Cycle	2018.12.31 Beyond Operating Cycle	Collateral
2018.09.26~ 2025.09.26	1.260%	700,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	700,000	None
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	-	〃
2016.06.24~ 2019.03.21	2.920%	THB 300,000	〃	285,960	-	〃
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)	
				$ 8,235,702	13,017,464	

Period	Annual Interest Rate	Principal Amount	Repayment Terms	2017.12.31 Within Operating Cycle	2017.12.31 Beyond Operating Cycle	Collateral
2013.07.22~ 2018.07.22	1.600%	1,400,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	700,000	-	None
2014.06.16~ 2019.06.16	1.500%	450,000	〃	450,000	-	〃
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	900,000	〃
2014.10.30~ 2024.10.30	2.300%	1,100,000	〃	-	1,100,000	〃
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,500,000	1,500,000	〃
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	1,350,000	〃
2016.06.28~ 2023.06.28	1.250%	300,000	〃	-	300,000	〃
2017.05.17~ 2022.05.17	1.350%	1,700,000	〃	-	1,700,000	〃
2017.05.17~ 2024.05.17	1.700%	500,000	〃	-	500,000	〃
2017.11.09~ 2022.11.09	1.100%	1,000,000	〃	-	1,000,000	〃
2017.09.26~ 2020.09.26	1.050%	3,500,000	〃	-	3,500,000	〃
2015.03.18~ 2018.03.18	3.700%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	91,760	-	〃
2015.06.04~ 2018.06.04	3.400%	THB 300,000	〃	275,280	-	〃
2015.08.13~ 2018.08.14	3.100%	THB 150,000	〃	137,640	-	〃
2015.09.03~ 2018.08.28	3.100%	THB 150,000	〃	137,640	-	〃

Period	Annual Interest Rate	Principal Amount	Repayment Terms	2017.12.31 Within Operating Cycle	2017.12.31 Beyond Operating Cycle	Collateral
2016.04.27~ 2018.04.27	2.630%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	458,800	-	None
2016.07.29~ 2018.07.30	2.630%	THB 140,000	〃	128,464	-	〃
2016.02.02~ 2019.02.02	2.970%	THB 300,000	〃	-	275,280	〃
2016.02.17~ 2019.02.21	2.970%	THB 100,000	〃	-	91,760	〃
2016.03.29~ 2019.04.03	2.920%	THB 155,000	〃	-	142,228	〃
2016.06.16~ 2019.06.11	2.930%	THB 100,000	〃	-	91,760	〃
2016.06.24~ 2019.03.21	2.920%	THB 300,000	〃	-	275,280	〃
2016.06.28~ 2020.06.29	3.250%	THB 200,000	〃	-	183,520	〃
2016.07.13~ 2019.03.29	2.920%	THB 190,000	〃	-	174,344	〃
2016.07.25~ 2019.08.01	2.910%	THB 205,000	〃	-	188,108	〃
2016.07.28~ 2019.07.30	2.930%	THB 235,000	〃	-	215,636	〃
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	-	91,760	〃
2017.04.27~ 2020.05.15	2.960%	THB 150,000	〃	-	137,640	〃
2017.07.07~ 2020.07.07	2.980%	THB 110,000	〃	-	100,936	〃
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	〃	-	1,376,400	〃
Bonds payable (Gross)				3,879,584	15,194,652	
Discounts on bonds payable				(159)	(2,159)	
				$ 3,879,425	15,192,493	

(l) Operating Leases

1.Leases entered into as lessee

Non-cancellable operating lease rentals payable were as follows:

	2018.12.31	2017.12.31
Less than one year	$ 475,164	392,136
Between one and five years	480,805	496,975
Beyond five years	794,737	484,874
	$ 1,750,706	1,373,985

(m) Employee benefits

1.Defined benefit plans

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

	2018.12.31	2017.12.31
Present value of benefit obligations	$ 1,643,079	1,523,055
Fair value of plan assets	(824,265)	(803,103)
Net defined benefit liabilities	$ 818,814	719,952

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

1) Composition of plan assets

The Group allocates pension funds in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the fund, minimum earnings shall be no less than the earnings from two year time deposits with interest rates offered by local banks.

The Group's Bank of Taiwan labor pension reserve account balance amounted to $802,052 as of December 31, 2018. For information on the utilization of the labor pension fund assets including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Fund, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

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

	For the years ended December 31,	
	2018	2017
Defined benefit obligations at January 1	$ 1,523,055	1,568,310
Current service costs and interest	74,949	75,322
Remeasurement on the net defined benefit liability		
—Actuarial losses (gains) arising from changes in financial assumptions	105,562	(81,900)
Exchange differences on translation of foreign plans	7,932	5,354
Benefits paid by the plan	(68,419)	(44,031)
Defined benefit obligations at December 31	$ 1,643,079	1,523,055

3) Movements of defined benefit plan assets

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

	For the years ended December 31,	
	2018	2017
Fair value of plan assets at January 1	$ 803,103	772,968
Remeasurement on the net defined benefit liabilities		
—Return on plan assets (excluding current interest)	13,236	10,884
—Actuarial losses arising from changes in financial assumptions	17,760	(3,552)
Contributions made	56,011	49,783
Benefits paid by the plan	(65,845)	(26,980)
Fair value of plan assets at December 31	$ 824,265	803,103

4) Expenses recognized in profit or loss

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

	For the years ended December 31,	
	2018	2017
Current service costs	$ 49,575	53,029
Net interest of net liabilities for defined benefit obligations	12,138	11,409
	$ 61,713	64,438
Operating expenses	$ 61,713	64,438

5) Re-measurement of net defined benefit liabilities (assets) recognized in other comprehensive income

The Group's re-measurements of net defined benefit liabilities (assets) recognized in other comprehensive income were as follows:

	For the years ended December 31,	
	2018	2017
Cumulative amount at January 1	$ 85,074	6,726
Recognized during the period	(87,802)	78,348
Cumulative amount at December 31	$ (2,728)	85,074

6) Actuarial assumptions

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

	For the years ended December 31,	
	2018	2017
Discount rate at December 31	1.13%~3.10%	1.63%~3.20%
Future salary increases	2.00%~5.00%	2.00%~5.25%

The Group is expected allocation payment of $51,382 to the defined plans for the one year period after the reporting date.

The weighted average duration of the defined benefit obligation is 14.75 to 22.03 years.

7) Sensitivity analysis

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

	Influences of defined benefit obligations	
	Increase 0.25%	Decrease 0.25%
December 31, 2018		
Discount rate	(47,531)	49,445
Future salary increases	47,170	(45,083)
December 31, 2017		
Discount rate	(46,024)	47,940
Future salary increases	46,007	(44,429)

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

There is no change in the method and assumptions used in the preparation of sensitivity analysis for the years ended December 31, 2018 and 2017.

2.Defined contribution plans

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

The Group's pension costs under the defined contribution method were $213,883 and $174,861 for the years ended December 31, 2018 and 2017, respectively. Payment was made to the Bureau of the Labor Insurance and designated account.

(n) Income taxes

1.Income Tax Expense

The components of income tax for the years ended December 31, 2018 and 2017 were as follows:

	For the years ended December 31,	
	2018	2017
Current tax expense		
Current period	$ 4,131,083	3,118,912
Adjustment for prior periods	(132,668)	81,325
	3,998,415	3,200,237
Deferred tax expense	959,153	349,790
Income tax expense from continuing operations	$ 4,957,568	3,550,027

The components amount of income tax recognized in other comprehensive income for the years ended December 31, 2018 and 2017 were as follows:

	For the years ended December 31,	
	2018	2017
Items that will not be reclassified subsequently to profit or loss:		
Remeasurement actuarial gains from defined benefit plans	$ 17,560	(13,319)
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences for foreign operations	$ (44,777)	104,748

The income tax calculated on pre-tax financial income was reconciled to income tax expense for the years ended December 31, 2018 and 2017 as follows:

	For the years ended December 31,	
	2018	2017
Profit before income tax	$ 18,850,061	13,553,412
Income tax calculated on pre-tax financial income at a statutory tax rate applied by subsidiaries	$ 5,376,887	3,673,339
Reduction in tax rate	5,934	(20,987)
Non-deductible expenses	(221,859)	(93,203)
Income tax on unappropriated earnings	1	5
Change in temporary differences	(70,727)	(90,452)
Under provision in prior periods	(132,668)	81,325
Income tax expense	$ 4,957,568	3,550,027

2.Deferred Tax Assets and Liabilities

1) Unrecognized Deferred Tax Liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2018 and 2017. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	2018.12.31	2017.12.31
Aggregate amount of temporary differences related to investments in subsidiaries	$ 17,090,027	13,258,123
Unrecognized deferred tax liabilities	$ 932,917	766,569

2) Unrecognized Deferred Tax Assets

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

	2018.12.31	2017.12.31
Tax effect of deductible temporary differences	$ 36,855	113,476
Tax losses	757,012	986,701
	$ 793,867	1,100,177

As of December 31, 2018, the Group did not recognize the prior years' loss carry-forwards as deferred tax assets. The expiry years of those loss carry forward benefits were as follows:

Year of loss	Unused amount	Year of expiry
2010	$ 1,460,353	2020&2030
2011	447,530	2021&2031
2012	246,038	2022&2032
2013	59,166	2023&2033
2014	17,899	2024&2034
2015	1,555	2025
2016	128	2026
2017	345	2022&2027
2018	93	2023&2028

3) Recognized Deferred Tax Assets and Liabilities

Changes in the amount of deferred tax assets and liabilities for the years ended December 31, 2018 and 2017 were as follows:

	Defined Benefit Plans	Loss on uncollectible account	Unrealized gain on investment income	Others	Total
Deferred Tax Liabilities:					
Balance at January 1, 2018	$ 956	-	1,835,918	28	1,836,902
Recognized in profit or loss	-	-	596,293	493	596,786
Recognized in other comprehensive income	-	-	-	183	183
Effect in exchange rate	-	-	(831)	6	(825)
Balance at December 31, 2018	$ 956	-	2,431,380	710	2,433,046
Balance at January 1, 2017	$ 835	-	1,580,660	50,591	1,632,086
Recognized in profit or loss	-	-	283,073	(50,544)	232,529
Recognized in other comprehensive income	121	-	-	-	121
Effect in exchange rate	-	-	(27,815)	(19)	(27,834)
Balance at December 31, 2017	$ 956	-	1,835,918	28	1,836,902
Deferred Tax Assets:					
Balance at January 1, 2018	$ 130,380	3,334,739	-	232,668	3,697,787
Effects of retrospective application	-	96,195	-	-	96,195
Recognized in profit or los	21,804	(431,995)	-	47,824	(362,367)
Recognized in other comprehensive income	17,560	-	-	(44,594)	(27,034)
Effect in exchange rate	(2,164)	(41,012)	-	(859)	(44,035)
Balance at December 31, 2018	$ 167,580	2,957,927	-	235,039	3,360,546
Balance at January 1, 2017	$ 142,525	3,335,886	-	276,952	3,755,363
Recognized in profit or loss	725	27,392	-	(145,378)	(117,261)
Recognized in other comprehensive income	(13,198)	-	-	104,748	91,550
Effect in exchange rate	328	(28,539)	-	(3,654)	(31,865)
Balance at December 31, 2017	$ 130,380	3,334,739	-	232,668	3,697,787

(o) Share capital and other equity accounts

1.Share capital

As of December 31, 2018 and 2017, the Company's authorized capital consisted of 1,500,000 thousand shares and issued shares worth $12,895,146 and $12,642,300, respectively, with par value of $10 (NT dollars) per share.

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

Due to the capital needs for investing in subsidiaries and repaying bank loans, the board of directors of the Company resolved to increase the Company's capital by issuing common shares of stock through the offering of global depositary shares overseas, and the offering was approved by the Financial Supervisory Commission (FSC) on August 3, 2012. As of October 9, 2012, these global depositary shares were priced at US$8.59 per unit, and the Company issued 120,000,000 common shares of stock from the conversion of 24,000,000 units of global depositary shares. Each unit of global depositary shares represents 5 common shares of stock. As of December 31, 2018 and 2017, the Company has listed, 812,485 and 855,675 units of GDRs, respectively, on the Euro MTF market of the Luxembourg Stock Exchange. Major terms and conditions for GDRs were as follows:

1) Exercise of voting rights

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

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

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

2.Capital surplus

The components of capital surplus were as follows:

	2018.12.31	2017.12.31
Share capital	$ 17,363,784	17,363,784
Changes in equity of associates and joint ventures accounted for using equity method	4,012	4,012
	$ 17,367,796	17,367,796

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.

2) Earnings distribution

During the shareholders' meetings on May 24, 2018 and May 26, 2017, the shareholders resolved to distribute the 2017 and 2016 earnings. These earnings were appropriated as follows:

	2017		2016	
	Dividend per share ($)	Amount	Dividend per share ($)	Amount
Dividends distributed to common shareholders				
Cash	$ 3.80	4,804,074	3.40	3,873,382
Stock	0.20	252,846	-	-
Total		$ 5,056,920		3,873,382

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

(p) Earnings per share

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

	For the years ended December 31,	
	2018	2017
Profit attributable to common stockholders of the Company	$ 13,369,370	9,656,514
Weighted average number of ordinary shares	1,289,515	1,188,562
Weighted average number of ordinary shares (Diluted)	1,289,540	1,188,585

Note: Potential ordinary shares have no dilutive effects.

(q) Employee and board of directors compensation

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

a) Between 0.01% and 1% of the surplus profits before tax of each financial years as employees' compensation;

b) Not to exceed 0.1% of the surplus profits before tax of each financial year as directors' compensation.

For the years ended December 31, 2018 and 2017, the Company estimated its employees' remuneration amounting to $2,010 and $1,450, and directors' remuneration amounting to $12,562 and $8,113, 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 2018 and 2017. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2018 and 2017. The information can be accessed from the Market Observation Post System on the internet.

(r) Net other income and expenses

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

	For the years ended December 31,	
	2018	2017
Net losses on disposal of foreclosed assets	$ (143,693)	(99,416)
Impairment losses on foreclosed assets	(27,634)	(27,284)
Gains on doubtful debt recoveries	327,880	277,752
Others	1,641	99
	$ 158,194	151,151

(s) Other gains and losses

The components of other gains and losses were as follows:

	For the years ended December 31,	
	2018	2017
Net foreign exchange gains (losses)	$ 85,844	(79,357)
Net gains on disposal of properly plant, and equipment	7,979	1,170
Net gains on disposal of available-for-sale financial assets	-	178,835
Net (losses) gains on valuation of financial assets measured at fair value through profit or loss	(54,367)	7,513
Impairment losses on available-for-sale financial assets	-	(363)
Others	663,739	421,252
	$ 703,195	529,050

(t) Adjustments to other comprehensive income

	For the year ended December 31, 2017
Available-for-sale financial assets	
Net change in fair value	$ (152,607)
Net change in fair value reclassified to profit or loss	(104,169)
Net change in fair value recognized in other comprehensive income	$ (256,776)

(u) Financial instruments

1. Credit risks

1) Credit risks exposure

The carrying amounts of financial assets represented the maximum credit risk exposure of the Group. As of December 31, 2018 and 2017, the maximum exposure to credit risks amounted to $387,834,767 and $314,972,480, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to $103,735 and $81,697 as of December 31, 2018 and 2017, 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:

	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					
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	$ 186,089,257	113,902,968	48,719,287	3,996,150	352,707,662
Allowance for losses	3,775,226	4,172,084	1,628,350	218,478	9,794,138
Carrying amount	$ 182,314,031	109,730,884	47,090,937	3,777,672	342,913,524

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	$ 1,520,799	46,825	2,207,602	3,775,226

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 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	$ 2,366,636	10,518	1,794,930	4,172,084

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	$ 188,884	378,709	1,060,757	1,628,350

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	$ -	218,295	183	218,478

	Taiwan	China	ASEAN	Others	Total
December 31, 2017					
Gross loans and receivables:					
Neither past due nor impaired	$148,906,140	83,233,880	35,727,412	4,135,395	272,002,827
Past due	288,110	-	2,348,873	-	2,636,983
Impaired	5,385,707	2,764,710	1,765,469	218,332	10,134,218
	$154,579,957	85,998,590	39,841,754	4,353,727	284,774,028
Allowance for impairment					
Collectively assessed	$ 1,578,195	2,170,157	794,415	203,126	4,745,893
Individually assessed	2,104,312	1,780,722	483,609	93,554	4,462,197
	$ 3,682,507	3,950,879	1,278,024	296,680	9,208,090

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:

	2018.12.31	2017.12.31
Past due up to 30 days	$ 403,535	1,573,711
Past due from 31 to 90 days	2,320,591	1,063,272
Past due from 91 to 180 days	23,048	-
Past due over 180 days	176,042	-
	$ 2,923,216	2,636,983

4) Impaired loans and receivables

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

2.Liquidity risks

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

	Carrying amount	Contractual cash flows	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	More than 5 years	On demand
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	-	-	-
	$ 331,216,877	338,579,013	53,014,583	47,986,274	89,545,903	142,446,739	2,635,586	2,949,928
December 31, 2017								
Non-derivative financial liabilities								
Secured bank loans	$ 40,123,573	41,904,072	4,159,456	2,676,874	14,003,088	21,064,654	-	-
Unsecured bank loans	107,506,884	110,032,786	17,233,838	17,943,289	26,869,051	47,667,478	319,130	-
Notes payable from securitization	6,689,879	7,218,234	10,358	20,715	93,220	7,093,941	-	-
Short-term notes and bills payable	54,555,593	54,665,000	18,200,000	18,865,000	17,600,000	-	-	-
Bonds payables	19,071,918	20,115,381	6,673	118,836	2,355,220	15,663,302	1,971,350	-
Other payables	8,795,344	8,905,103	4,860,881	1,443,733	436,636	663,730	-	1,500,123
Deposits relating to collateral of customers	30,450,484	30,480,384	719,561	1,577,209	8,161,930	19,307,703	408	713,573
Derivative financial liabilities								
Current derivative financial liabilities for hedging	2,108	2,108	-	-	2,108	-	-	-
	$ 267,195,783	273,323,068	45,190,767	42,645,656	69,521,253	111,460,808	2,290,888	2,213,696

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:

	2018.12.31			
	Foreign currency (In thousands)	Exchange rate		Functional currency
Financial assets				
Monetary items				
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
Financial liabilities				
Monetary items				
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

	2017.12.31			
	Foreign currency (In thousands)	Exchange rate		Functional currency
Financial assets				
Monetary items				
USD	$ 50,250.49	USD : TWD	29.7600	1,495,455
	35,376.60	USD : GBP	0.7420	1,052,808
	5,631.49	USD : VND	24,595	167,593
JPY	419,458.81	JPY : USD	0.0089	110,821
EUR	17,400.00	EUR : USD	1.1952	618,918
HKD	19,340.08	HKD : USD	0.1279	73,628
GBP	3,817.54	GBP : USD	1.3478	153,122
Financial liabilities				
Monetary items				
USD	4,513.26	USD : VND	24,595	134,315
	35,376.60	USD : GBP	0.7420	1,052,808
JPY	310,080.73	JPY : USD	0.0089	81,923
EUR	15,300.02	EUR : USD	1.1952	544,222
HKD	16,999.55	HKD : USD	0.1279	64,717
GBP	3,499.99	GBP : USD	1.3478	140,385

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 $33,370 and $129,538, for the years ended December 31, 2018 and 2017, respectively. The analysis is performed on the same basis for both years.

3) The foreign currency gain or loss on monetary items

Since the Group uses multiple functional currencies, the amounts for foreign currency gain or loss are consolidated for presentation. For the years ended December 31, 2018 and 2017, the foreign currency gain (loss), including realized and unrealized, amounted to $85,844 and $(79,357), respectively.

4.Interest analysis

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

Ending balance as of December 31, 2018	Effective interest rate	Total	Floating rate	Fixed rate: Within 1 year	Fixed rate: 1~5 years	Fixed rate: More than 5 years	Non-interest bearing
Financial assets							
Cash and cash equivalents	0.57 %	$ 17,579,967	14,241,135	2,782,382	-	-	556,450
Debt securities	5.71 %	12,270,581	-	5,498,868	6,771,713	-	-
Total accounts receivables	9.63 %	352,865,082	39,425,960	153,838,256	151,357,067	2,510,554	5,733,245
Current financial assets for hedging	1.30 %	94,684	-	94,684	-	-	-
		382,810,314	53,667,095	162,214,190	158,128,780	2,510,554	6,289,695
Financial liabilities							
Secured bank loans	4.60 %	46,471,192	38,411,341	3,040,708	4,999,163	-	19,980
Unsecured bank loans	2.79 %	146,095,518	94,194,682	28,776,701	22,862,052	262,083	-
Bank overdraft	7.13 %	14,436	14,436	-	-	-	-
Short-term notes and bills payable	0.87 %	65,273,584	25,762,687	39,510,897	-	-	-
Bonds payables	1.76 %	21,253,166	-	3,235,702	15,717,464	2,300,000	-
Current financial liabilities for hedging	3.95 %	6,022	-	6,022	-	-	-
Notes payable from securitization	1.95 %	4,093,200	-	-	4,093,200	-	-
Deposits relating to collateral of customers	0.09 %	37,859,884	-	3,247,927	5,960,655	2,932	28,648,370
		321,067,002	158,383,146	77,817,957	53,632,534	2,565,015	28,668,350
Net exposure		$ 61,743,312	(104,716,051)	84,396,233	104,496,246	(54,461)	(22,378,655)
Ending balance as of December 31, 2017							
Financial assets							
Cash and cash equivalents	0.68 %	$ 19,030,593	15,988,839	2,769,068	-	-	272,686
Debt securities	6.53 %	7,836,447	-	3,924,927	3,911,520	-	-
Total accounts receivables	9.51 %	284,916,903	34,860,444	123,851,654	112,144,265	7,540,048	6,520,492
		311,783,943	50,849,283	130,545,649	116,055,785	7,540,048	6,793,178
Financial liabilities							
Secured bank loans	4.45 %	40,123,573	32,199,237	4,165,904	3,758,432	-	-
Unsecured bank loans	2.14 %	107,506,884	59,338,575	33,527,022	14,349,204	292,083	-
Short-term notes and bills payable	0.86 %	54,555,593	24,194,576	30,361,017	-	-	-
Bonds payables	1.79 %	19,071,918	-	2,154,425	15,017,493	1,900,000	-
Current derivative financial liabilities for hedging	1.69 %	2,108	-	2,108	-	-	-
Notes payable from securitization	1.94 %	6,689,879	-	-	6,689,879	-	-
Deposits relating to collateral of customers	0.13 %	30,450,484	-	2,230,947	5,647,809	408	22,571,320
		258,400,439	115,732,388	72,441,423	45,462,817	2,192,491	22,571,320
Net exposure		$ 53,383,504	(64,883,105)	58,104,226	70,592,968	5,347,557	(15,778,142)

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 $189,888 and $159,371 for the years ended December 31, 2018 and 2017, respectively. This analysis assumes that all other variables remain constant.

5.Sensitivity analysis— equity price risk：

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

	For the years ended December 31,			
	2018		2017	
Equity price at reporting date	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Increase 7%	$ 66,365	17,905	75,516	3,428
Decrease 7%	$ (66,365)	(17,905)	(75,516)	(3,428)

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 (available for sale financial assets) 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:

	December 31, 2018				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though 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

	December 31, 2017				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss					
Financial assets held for trading	$ 49,572	48,977	-	595	49,572
Available-for-sale financial assets					
Domestic and foreign market (OTC) equity securities	983,364	980,828	2,536	-	983,364
Measure the fair value of unquoted equity instruments	94,577	-	-	94,577	94,577
Sub-total	1,077,941	980,828	2,536	94,577	1,077,941
Held-to-maturity investments	7,836,447	-	-	-	-
Loans and receivable					
Cash and cash equivalents	19,030,593	-	-	-	-
Accounts receivable	275,647,635	-	-	-	-
Other financial assets	1,310,108	-	-	-	-
Refundable deposits	452,911	-	-	-	-
Restricted bank deposits	2,513,730	-	-	-	-
Sub-total	298,954,977	-	-	-	-
Total	$ 307,918,937	1,029,805	2,536	95,172	1,127,513
Derivative financial liabilities for hedging	$ 2,108	-	2,108	-	2,108
Measurement of financial liabilities at amortized cost					
Secured bank loans	40,123,573	-	-	-	-
Unsecured bank loans	107,506,884	-	-	-	-
Notes payable from securitization	6,689,879	-	-	-	-
Short-term notes and bills payable	54,555,593	-	-	-	-
Bonds payables	19,071,918	-	-	-	-
Other payables	8,795,344	-	-	-	-
Deposits relating to collateral of customers	30,450,484	-	-	-	-
Sub-total	267,193,675	-	-	-	-
Total	$ 267,195,783	-	2,108	-	2,108

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 (Held-to-Maturity Financial Assets)

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

B. Financial assets at amortized cost (Debt Investment that Has No Active Markets and Financial Liabilities Measured at Amortized Cost)

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

3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative Financial Instruments

If quoted prices in active markets are available, the prices are established as fair values. For the 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) Transfers between Level 1 and Level 2

In May, 2017, O-Bank Co., Ltd. listed its equity shares on the Taiwan Stock Exchange and they are currently actively traded in that market. Because the equity shares now have a published price quotation in an active market, the fair value measurement was transferred from Level 2 to Level 1 of the fair value hierarchy at June 30, 2017.

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

	At fair value through profit or loss	At fair value through others comprehensive income (Available-for-sale financial assets)	
	Non-derivative financial assets	Unquoted equity instruments	Total
Opening balance, January 1, 2018	$ 595	94,577	95,172
Total gains and losses recognized:	-		
In profit or loss	(603)	-	(603)
In other comprehensive income	-	766	766
Reclassification	736,648	(350)	736,298
Purchase	480	9,554	10,034
Effect of movements in exchange rate	13,216	919	14,135
Ending balance, December 31, 2018	$ 750,336	105,466	855,802
Opening balance, January 1, 2017	$ -	500,751	500,751
Total gains and losses recognized:			
In profit or loss	595	-	595
In other comprehensive income	-	(94,001)	(94,001)
Disposal / Liquidate	-	(312,173)	(312,173)
Ending balance, December 31, 2017	$ 595	94,577	95,172

For the years ended December 31, 2018 and 2017, 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", " unrealized gains and losses on available-for-sale financial assets" and " unrealized gains and losses from financial assets measured at fair value through other comprehensive" were as follows:

	For the years ended December 31,	
	2018	2017
Total gains and losses recognized :		
In profit or loss, and presented in "other gains and losses"	$ (603)	595
In other comprehensive income, and presented in "unrealized gains (losses) on valuation of available-for-sale financial assets "	-	(94,001)
In other comprehensive income, and presented in "unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income"	766	-

6) 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 available-for-sale financial assets-equity investments. Most of these financial instruments using Level 3 inputs to measure fair values have only one significant unobservable input.

Quantified information of significant unobservable inputs as follows:

Item	Valuation Technique	Significant Non-observable Input	The Relationship between Significant Non-observable Input and Fair Value
Financial assets at fair value through other comprehensive income (Available-for-sale financial assets-investments in debt instruments without active market)	Net Asset Value Method	·Net Asset Value	·Not applicable

(v) Financial risk management

1.Overview

The Group has exposures to the following risks from its financial instruments:

1) credit risk

2) liquidity risk

3) market risk

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

2.Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Group's Risk Management Committee has reports to the Board of Directors, is responsible for the development of the Group-wide risk management policy and related systems and controls. The Risk Management Committee has established a set of risk management guidelines to which all subsidiaries adhere. With these guidelines, subsidiaries develop their own risk management policies in accordance to individual market conditions, operating environment and business needs. The Risk Management Committee reviews and approves such policies prior to their adoption by the subsidiaries. Subsidiaries are required to submit quarterly risk analysis reports to their respective board of directors and the Risk Management Committee.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions, products and services offered. The Group, through its training and management standards and procedures, aim to develop a disciplined and constructive control environment, in which all employees understand their roles and obligations.

The Group Audit Committee is responsible for monitoring compliance with the Group's risk management policies and procedures, and for reviewing the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in these functions by Internal Audit. Internal Audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

3.Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligation. Credit risk can also arise from operational failures that result in unauthorized or inappropriate advance, commitment or investment of funds. The Group is exposed to credit risk primarily through its lease contracts, installment sales contracts, international and domestic factoring contracts, direct finance and commercial real estate and mezzanine finance loans, guarantees and other commitments. In the Group's past experiences, the major causes of bad debts in its portfolio include:

1) non-payment or delay in payment of customers' downstream accounts

2) poor operating and financial performance due to macroeconomic factors

3) poor investment decisions made by customers

4) poor business management

5) higher default rate of private loans to small and medium enterprises

6) to a lesser extent, other factors, such as misappropriation by employees, malicious bankruptcies, sudden tightening of credit lines from banks, debt burden resulting from guarantee obligations, litigation and major exchange rate losses.

Each operating company in the Group is required to implement credit policies, procedures and lending guidelines that meet local requirements while conforming to Group standards. Each operating company is responsible for the quality and performance of all its credit portfolios and for monitoring and controlling all credit risks in them. This includes managing its own risk concentration by market sector, geography and product. Local systems are in place throughout the Group to control and monitor exposures by customer and product segments.

4.Liquidity risk

Liquidity risk is the risk that the Group does not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive cost. The risk can arise from mismatches in the timing of cash flows. Funding risk arises when the necessary liquidity to fund illiquid asset positions cannot be obtained at the expected terms and when required. The Group's primary source of liquidity risk arises from mismatches in cash flow in the maturity periods of the Group's assets and liabilities.

The Group monitors the relative maturities between its assets and liabilities and take necessary steps to maintain an appropriate balance of long-term and short-term funding sources. The Group uses a broad range of financial instruments such as bank borrowings from both domestic and foreign banks, corporate bonds, money market instruments, accounts receivable syndication and in both the United States, Thailand and Taiwan, asset securitization, to maintain a diverse and cost efficient funding base. The Group believes it holds sufficient cash to finance long-term funding needs.

The management of liquidity and funding is primarily carried out locally by the Group operating entities in each country. The Group requires its operating entities to maintain strong liquidity positions and to manage its liquidity profiles of their assets, liabilities and commitments with the objective of ensuring that their cash flows are balanced appropriately and that all their anticipated obligations can be met when due. The Group adapts its liquidity and funding risk management framework in response to changes in the mix of business that it undertakes, and to changes in the nature of the markets in which it operates. The Group has continuously monitored the impact of recent market events on the Group's liquidity position and has changed behavioral assumptions where justified. The liquidity and funding risk management framework will continue to evolve as the Group assimilates knowledge from the recent market events.

The Group's liquidity and funding management process includes:

1) projecting cash flows under various stress scenarios and considering the level of liquid assets comprising mainly cash and cash equivalents

2) maintaining a diverse range of funding sources with back-up facilities

3) managing the concentration and profile of debt maturities

4) maintaining liquidity and funding contingency plans. These plans identify early indicators of stress conditions and describe actions to be taken in the event of difficulties arising from systemic or other crises, while minimizing adverse long-term implications for the business.

The Group does not have a funding contingency plan, but manage this risk by engaging in products that have high liquidity and entering into transactions with counterparties that possess sufficient facility, information and capability to conduct the transaction in the relevant market.

The Group uses a number of standard projected cash flow scenarios designed to model both Group-specific and market-wide liquidity crisis, in which the rate and timing of receipts and drawdowns on committed lending facilities are varied, and the ability to access funding and to generate funds from assets portfolios is restricted. The appropriateness of the assumptions under each scenario is regularly reviewed. In addition to the Group's standard projected cash flow scenarios, individual entities are required to design their own scenarios tailored to reflect specific local market conditions, products and funding bases. Limit for cumulative net cash flows under stress scenarios are set for each operating entities. Cash flows limits reflect the local market conditions and the diversity of funding sources available. Compliance with entity level limits is monitored centrally by the head office in Taiwan.

5.Market risk

Market risk is the risk that changes in market prices, such as interest rate, equity prices, foreign exchange rates and credit spreads will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return on risk.

1) Management of market risk

The objective of the Group's market risk management is to manage and control market risk exposures in order to optimize return on risk while maintaining a market profile consistent with the Group's status as a provider of financial products and services.

2) Currency risk

The Group is exposed to currency risk through transactions in foreign currencies and through its investment on foreign operations. The Group's main operations are in Taiwan, PRC, and Thailand. The functional currencies of these operations are the New Taiwan Dollars, Renminbi, and Thai Baht respectively.

The Group is not exposed to significant exchange risk since the Group finances a significant proportion of its net investment in foreign operations with borrowings in the same currencies as the relevant measurement currencies to mitigate its currency risk. Further, the Group's subsidiaries in respective countries fund their operations through local funding in the local currency and lend in the same currency in which they borrow money, which creates a natural hedge. The Group have only small portion of assets and liabilities held in currencies other than the relevant measurement currencies in the respective countries.

3) Interest rate risk

Interest rate risk represents exposure to adverse movements in interest rates. The Group's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets, including investment securities, and interest-bearing liabilities mature or reprice at different times or in different amounts. Sensitivity to interest rate movements arise from mismatches in the repricing dates, cash flows and other characteristics of the assets and their corresponding liability funding. As interest rates and yield curves change over time, the size and nature of these mismatches may result in a loss or gain in earnings. In particular, most of the Group's financing obligations are on short-term and floating rate basis, and any sudden increase in market interest rate will result in a corresponding increase in the Group's debt servicing obligations.

The Group has adopted a series of core indicators for interest rate risk management, standards for interest rate sensitivity gap analysis and guidelines for its interest rate risk management. The analysis of the Group's interest rate risk includes an assessment of the incremental gaps between interest-sensitive assets and liabilities and the results of sensitivity analysis to measure the potential exposures in the Group's investment portfolio as a result of an interest rate change. The Group manages its interest rate risk exposure by adjusting the structure of its assets and liabilities based on an assessment of potential changes in interest rates using gap analysis, which provides a measure of the repricing characteristics of the Group's assets and liabilities. In addition, the Group has entered into interest rate swap contracts with financial institutions that have good credit ratings to manage its interest rate risk.

4) Other market price risks

The management of the Group monitors the combination of debts and equity securities in its investment portfolio based on market index. Material investments within the portfolio are managed on an individual basis, and all buy-and-sell decisions are approved by the Risk Management Committee.

(w) Capital Management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. In order to maintain or achieve an optimal capital structure, the Group may issue new shares, obtain new borrowings, sell assets to reduce borrowings, or pay or adjust the amount of dividend payment, return capital to shareholders.

The Group uses the debt-to-equity ratio to manage capital. The total capital and equity include share capital, capital surplus, retained earnings, other equity and non－controlling interest plus net debt of the Group. The Group's debt to equity ratio at the reporting date was as follows:

	2018.12.31	2017.12.31
Total Liabilities	$ 336,314,610	271,412,864
Less: cash and cash equivalents	(17,579,967)	(19,030,593)
Net debt	318,734,643	252,382,271
Total Equity	64,063,099	56,163,821
Amounts accumulated in equity relating to cash flow hedges	(296,426)	(205)
Adjusted capital	$ 382,501,316	308,545,887
Debt to equity ratio	83.33 %	81.80 %

As of December 31, 2018, according to the Company's management, there were no changes in the Group's approach to capital management.

(7) Related Party Transactions

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

(b) Names and relationship of related parties

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

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

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

Note: CTBC Bank, Chinatrust Financial Holding Company and TLG Insurance Company Limited were no longer related party to the Group since January 1, 2018.

(c) Related-party transactions

1.Operating revenue

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

	For the years ended December 31,	
	2018	2017
Affiliates	$ 34	114
Other related parties	26,938	109,604
	$ 26,972	109,718

2. Receivables from related parties

Receivables of the Group from related parties were as follows：

Account	Categories of related parties	2018.12.31	2017.12.31
Capital leases receivable	Other related parties	$ 71,519	17,007
Accounts receivable	Other related parties	-	1,842
Other receivables	Other related parties	1,277	10,898
Other current financial assets	Other related parties	-	1,000
Other non-current financial assets	Other related parties	-	1,200
		$ 72,796	31,947

3. Payable to related parties

Payable to related parties were as follows：

Account	Categories of related parties	2018.12.31	2017.12.31
Other current financial liabilities	Other related parties	$ 158	1,854

4. Asset transactions

The Group purchased leasehold improvements from other related parties amounting to $23,869 and $35,319 for the years ended December 31, 2018 and 2017, respectively.

5. Related-Party Financing

Financing to affiliates and related parties was as follows：

	2018.12.31	2017.12.31
Affiliates	$ 1,318,483	991,677
Other related parties	11,825	103,055
	$ 1,330,308	1,094,732

The loans receivable from affiliates bear interest at rates ranging from 3.32% to 5.90%. As of December 31, 2018 and 2017, interest receivable from the loans receivable from affiliates amounted to $10,230 and $7,499, respectively. For the years ended December 31, 2018 and 2017, interest revenue from the loans receivable from affiliates amounted to $52,138 and $27,043, respectively.

The loans receivable from other related parties bear interest at rates ranging from 2.85% to 3.85%. As of December 31, 2018 and 2017, interest receivable from the loans receivable from other related parties amounted to $104 and $476, respectively. For the years ended December 31, 2018 and 2017, interest revenue from the loans receivable from other related parties amounted to $1,982 and $5,284, respectively.

6. Interest bearing borrowings

Borrowings of the Group from related parties were as follows：

	2018.12.31	2017.12.31
Other related parties	$ 4,603,976	2,569,280

The borrowings from other related parties bear interest at rates ranging from 2.53% to 7.13%. As of December 31, 2018 and 2017, interest payable from the interest bearing borrowings from other related parties amounted to $2,255 and $232, respectively. For the years ended December 31, 2018 and 2017, interest expense from the interest bearing borrowing from other related parties amounted to $126,761 and $82,955, respectively.

7. Guarantee

As of December 31, 2018 and 2017, the Group had provided a guarantee for loans taken out by affiliates and the credit limit of the guarantee was $100,620 and $91,300, and the actual drawn amount was $14,128 and $9,022, respectively.

8. Others

1) As of December 31, 2018 and 2017 bank deposits in financial institutions which are other related parties of the Group amounted to $196,087 and $444,270, respectively. For the years ended December 31, 2018 and 2017, interest revenue from the deposits in other related parties amounted to $342 and $458, respectively.

2) Other expense with related parties：

Other related parties	For the years ended December 31, 2018	2017
Rent expense	$ 32,632	30,368
Commission and service costs and expenses	-	1,347
Other operating costs and expenses	120,317	93,148
	$ 152,949	124,863

(d) Key management personnel compensation

	For the years ended December 31, 2018	2017
Short-term employee benefits	$ 277,953	227,817
Post-employment benefits	2,536	2,158
	$ 280,489	229,975

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2018.12.31	2017.12.31
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)	$ 2,938,269	2,509,473
Property, plant and equipment	As guarantee for short-term and long-term borrowings	2,240,524	2,310,933
Equity securities	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	1,255	1,310
Refundable deposits	Provincial court seizure etc.	98,730	140,462
Accounts receivable and notes receivable	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	110,791,429	97,359,907
Total		$ 116,070,207	102,322,085

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 December 31, 2018 and 2017, the balance of unexpired payments from these alliance transactions amounted to $7,898,635 and $6,992,638, respectively.

(b) The Group entered into several electricity procurement agreements with Taiwan Power Company and all of these agreements will expire on twenty years after the date the electricity generating sets are launched. Under these agreements, reselling to third parties of electric power from the renewable energy system is prohibited.

(10) Losses Due to Major Disasters: None.

(11) Subsequent Events: None.

(12) Other

(a) Liquidity analysis of assets and liabilities：

	2018.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 17,579,967	-	17,579,967
Current financial assets at fair value through profit or loss	1,005,642	-	1,005,642
Current financial assets for hedging	94,684	-	94,684
Current financial assets at amortized cost	5,498,868	4,713,129	10,211,997
Accounts receivable, net	161,502,654	102,730,923	264,233,577
Other current financial assets	4,287,961	66,955	4,354,916
Other current assets – others	5,062,848	-	5,062,848
	$ 195,032,624	107,511,007	302,543,631

	2018.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current liabilities			
Short-term borrowings	$ 54,056,709	-	54,056,709
Short-term notes and bills payable	65,273,584	-	65,273,584
Current financial liabilities for hedging	6,022	-	6,022
Account 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 – others	1,369,584	20,464	1,390,048
	$ 193,524,695	79,288,446	272,813,141

	2017.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current assets			
Cash and cash equivalents	$ 19,030,593	-	19,030,593
Current financial assets at fair value through profit or loss	49,572	-	49,572
Current held-to-maturity financial assets	3,924,927	2,517,880	6,442,807
Accounts receivable, net	139,536,660	78,428,201	217,964,861
Other current financial assets	3,601,317	65,226	3,666,543
Other current assets – others	4,367,771	-	4,367,771
	$ 170,510,840	81,011,307	251,522,147

	2017.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after12 months	Total
Current liabilities			
Short-term borrowings	$ 37,672,132	-	37,672,132
Short-term notes and bills payable	54,555,593	-	54,555,593
Current derivative financial liability for hedging	2,108	-	2,108
Account and notes payable	3,955,785	4,082	3,959,867
Current tax liabilities	1,660,227	-	1,660,227
Other current financial liabilities	13,075,957	17,009,857	30,085,814
Long-term liabilities, current portion	41,523,666	42,363,207	83,886,873
Other current liabilities – others	1,122,466	10	1,122,476
	$ 153,567,934	59,377,156	212,945,090

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

By function / By item	For the year ended December 31, 2018			For the year ended December 31, 2017		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	63,135	5,238,821	5,301,956	55,819	4,428,487	4,484,306
Labor and health insurance	4,375	323,262	327,637	4,302	281,305	285,607
Pension	2,065	273,531	275,596	2,078	237,221	239,299
Others	-	374,629	374,629	-	304,083	304,083
Depreciation	2,116,488	121,237	2,237,725	1,950,951	125,004	2,075,955
Amortization	-	157,861	157,861	-	147,656	147,656

(13) Other disclosures

(a) Information on significant transactions

The information on significant transactions of the Group, which is required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", for the year ended December 31, 2018 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 Item	Collateral Value	Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
1	Chailease Finance Co., Ltd.	A	Other receivables	No	80,333	80,333	80,333	0.03%~19.99%	1	549,750	-	9,809	None	-	3,174,313	31,743,134
"	"	A-1	"	No	103,684	103,684	103,684	0.03%~19.99%	2	-	Working Capital	-	None	-	3,174,313	31,743,134
"	"	B	"	No	136,430	136,428	136,428	0.03%~19.99%	2	-	Working Capital	1,651	None	-	3,174,313	31,743,134
"	"	C	"	No	30,139	30,139	30,139	0.03%~19.99%	1	30,139	-	365	None	-	3,174,313	31,743,134
"	"	C-1	"	No	172,423	90,260	90,260	0.03%~19.99%	2	-	Working Capital	1,092	None	-	3,174,313	31,743,134
"	"	D	"	No	224,800	109,300	109,300	0.03%~19.99%	2	-	Working Capital	1,323	None	-	3,174,313	31,743,134
"	"	E	"	No	142,879	81,289	81,289	0.03%~19.99%	1	370,827	-	984	None	-	3,174,313	31,743,134
"	"	F	"	No	74,399	74,399	74,399	0.03%~19.99%	2	-	Working Capital	900	None	-	3,174,313	31,743,134
"	"	G	"	No	116,744	73,478	73,478	0.03%~19.99%	1	197,421	-	889	None	-	3,174,313	31,743,134
"	"	H	"	No	108,207	50,169	50,169	0.03%~19.99%	1	2,237,146	-	607	None	-	3,174,313	31,743,134
"	"	H-1	"	No	26,000	19,075	19,075	0.03%~19.99%	2	-	Working Capital	231	None	-	3,174,313	31,743,134
"	"	I	"	No	138,575	64,618	64,618	0.03%~19.99%	2	-	Working Capital	782	None	-	3,174,313	31,743,134
"	"	J	"	No	64,000	64,000	64,000	0.03%~19.99%	2	-	Working Capital	774	None	-	3,174,313	31,743,134
"	"	K	"	No	64,000	64,000	64,000	0.03%~19.99%	2	-	Working Capital	774	None	-	3,174,313	31,743,134
"	"	L	"	No	75,000	63,372	63,372	0.03%~19.99%	2	-	Working Capital	767	None	-	3,174,313	31,743,134
"	"	M	"	No	83,000	62,380	62,380	0.03%~19.99%	1	274,768	-	755	None	-	3,174,313	31,743,134
"	"	N	"	No	76,000	60,504	60,504	0.03%~19.99%	2	-	Working Capital	732	None	-	3,174,313	31,743,134
"	"	O	"	No	60,000	60,000	60,000	0.03%~19.99%	1	77,674	-	726	None	-	3,174,313	31,743,134
"	"	P	"	No	63,000	59,627	59,627	0.03%~19.99%	1	70,000	-	721	None	-	3,174,313	31,743,134
"	"	Q	"	No	72,000	59,546	59,546	0.03%~19.99%	2	-	Working Capital	721	None	-	3,174,313	31,743,134
"	"	R	"	No	130,000	59,200	59,200	0.03%~19.99%	2	-	Working Capital	716	None	-	3,174,313	31,743,134
"	"	S	"	No	58,000	58,000	58,000	0.03%~19.99%	2	-	Working Capital	702	None	-	3,174,313	31,743,134
"	"	T	"	No	60,000	57,577	57,577	0.03%~19.99%	2	-	Working Capital	697	Bank Deposits/Properties	57,358	3,174,313	31,743,134
"	"	Summary of other clients	"	No	11,536,199	5,864,021	5,638,723	0.03%~19.99%	1	33,376,795	-	68,229	Bank Deposits/Stocks/Properties	406,247	3,174,313	31,743,134
"	"	"	"	No	18,778,021	9,045,041	9,045,039	0.03%~19.99%	2	-	Working Capital	280,365	Bank Deposits/Stocks/Beneficiary certificate/Equipment/Properties	1,556,782	3,174,313	31,743,134
2	Fina Finance & Trading Co., Ltd.	A	"	No	93,800	93,707	93,707	3.0044%~19.7800%	2	-	Working Capital	937	None	-	1,279,622	12,796,223
"	"	A-1	"	No	26,800	26,792	26,792	3.0044%~19.7800%	1	19,400	-	268	None	-	1,279,622	12,796,223
"	"	B	"	No	115,801	72,001	72,001	3.0044%~19.7800%	2	-	Working Capital	720	None	-	1,279,622	12,796,223
"	"	C	"	No	110,722	65,471	65,471	3.0044%~19.7800%	2	-	Working Capital	655	Properties	82,838	1,279,622	12,796,223
"	"	D	"	No	72,125	59,169	59,169	3.0044%~19.7800%	2	-	Working Capital	592	Properties	59,331	1,279,622	12,796,223
"	"	E	"	No	118,910	57,969	57,969	3.0044%~19.7800%	2	-	Working Capital	580	Properties	63,994	1,279,622	12,796,223

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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 Item	Collateral Value	Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
2	Fina Finance & Trading Co., Ltd.	F	Other receivables	No	17,000	17,000	17,000	3.0044%~19.7800%	2	-	Working Capital	170	Properties	17,934	1,279,622	12,796,223
"	"	F-1	"	No	32,804	32,803	32,803	3.0044%~19.7800%	1	17,000	-	328	Properties	17,934	1,279,622	12,796,223
"	"	G	"	No	66,188	46,455	46,455	3.0044%~19.7800%	2	-	Working Capital	465	Stocks	11,550	1,279,622	12,796,223
"	"	H	"	No	90,000	45,228	45,228	3.0044%~19.7800%	2	-	Working Capital	452	Properties	45,000	1,279,622	12,796,223
"	"	I	"	No	45,000	45,000	45,000	3.0044%~19.7800%	2	-	Working Capital	450	None	-	1,279,622	12,796,223
"	"	J	"	No	45,000	44,966	44,966	3.0044%~19.7800%	2	-	Working Capital	430	Properties	40,228	1,279,622	12,796,223
"	"	Summary of other clients	"	No	2,785,539	1,309,404	1,252,454	3.0044%~19.7800%	1	2,345,198	-	43,745	Properties/Vehicles/ Ships	535,430	1,279,622	12,796,223
"	"	"	"	No	6,513,447	3,800,671	3,743,671	3.0044%~19.7800%	2	-	Working Capital	76,393	Bank Deposits/Properties/ Vehicles/Equipment	901,743	1,279,622	12,796,223
3	Chailease Consumer Finance Co., Ltd.	A	"	No	7,000	4,000	4,000	4%~19%	2	-	Working Capital	14	None	-	374,961	3,749,610
"	"	B	"	No	1,600	1,000	1,000	4%~19%	2	-	Working Capital	4	None	-	374,961	3,749,610
"	"	C	"	No	1,600	800	800	4%~19%	2	-	Working Capital	3	None	-	374,961	3,749,610
"	"	D	"	No	800	556	556	4%~19%	2	-	Working Capital	2	None	-	374,961	3,749,610
"	"	E	"	No	400	340	340	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	F	"	No	600	300	300	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	G	"	No	300	300	300	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	H	"	No	300	300	300	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	I	"	No	775	277	277	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	J	"	No	500	272	272	4%~19%	2	-	Working Capital	1	None	-	374,961	3,749,610
"	"	Summary of other clients	"	No	2,122	444	444	4%~19%	1	29,520	-	2	None	-	374,961	3,749,610
"	"	"	"	No	7,649	1,084	1,084	4%~19%	2	-	Working Capital	12	None	-	374,961	3,749,610
4	Chailease International Finance Corporation	Chailease International Corp.	Receivables from related party	Yes	2,683,200	2,683,200	-	4.35%~19.97%	2	-	Working Capital	-	None	-	5,709,929	9,135,886
"	"	Chailease Finance International Corp.	"	Yes	1,341,600	1,341,600	-	4.35%~19.97%	2	-	Working Capital	-	None	-	5,709,929	9,135,886
"	"	A	Receivable-short term financing	No	61,490	20,869	20,869	4.35%~19.97%	2	-	Working Capital	359	Inventory	111,666	1,141,986	9,135,886
"	"	B	"	No	22,360	18,633	18,633	4.35%~19.97%	2	-	Working Capital	264	None	-	1,141,986	9,135,886
"	"	C	"	No	24,596	18,447	18,447	4.35%~19.97%	2	-	Working Capital	367	None	-	1,141,986	9,135,886
"	"	D	"	No	17,888	15,900	15,900	4.35%~19.97%	2	-	Working Capital	149	None	-	1,141,986	9,135,886
"	"	E	"	No	17,888	15,900	15,900	4.35%~19.97%	2	-	Working Capital	216	None	-	1,141,986	9,135,886
"	"	F	"	No	20,124	15,652	15,652	4.35%~19.97%	2	-	Working Capital	237	None	-	1,141,986	9,135,886
"	"	G	"	No	17,888	15,403	15,403	4.35%~19.97%	2	-	Working Capital	254	None	-	1,141,986	9,135,886
"	"	H	"	No	17,888	14,907	14,907	4.35%~19.97%	2	-	Working Capital	195	None	-	1,141,986	9,135,886
"	"	I	"	No	17,888	14,410	14,410	4.35%~19.97%	2	-	Working Capital	230	Properties	4,387	1,141,986	9,135,886
"	"	J	"	No	20,124	13,975	13,975	4.35%~19.97%	2	-	Working Capital	323	Inventory	12,790	1,141,986	9,135,886
"	"	Summary of other clients	Receivables-business relationship	No	34,005	16,464	16,464	4.35%~19.97%	1	55,095	-	298	None	-	1,141,986	9,135,886
"	"	"	Receivable-short term financing	No	868,814	478,474	478,474	4.35%~19.97%	2	-	Working Capital	61,994	Vehicles/Properties/ Equipment/Inventory	150,406	1,141,986	9,135,886

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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 3)	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 2)
													Item	Value		
5	Chailease Specialty Finance Co., Ltd.	A	Other receivables	No	254,695	169,346	169,346	0.98%~14.97%	2	-	Working Capital	1,998	None	-	3,174,313	5,318,151
"	"	B	"	No	170,720	94,990	91,540	0.98%~14.97%	2	-	Working Capital	1,080	None	-	3,174,313	5,318,151
"	"	C	"	No	95,000	92,150	92,150	0.98%~14.97%	2	-	Working Capital	1,087	None	-	3,174,313	5,318,151
"	"	D	"	No	134,451	64,164	64,164	0.98%~14.97%	2	-	Working Capital	757	None	-	3,174,313	5,318,151
"	"	E	"	No	84,000	63,000	63,000	0.98%~14.97%	2	-	Working Capital	743	None	-	3,174,313	5,318,151
"	"	F	"	No	60,000	60,000	60,000	0.98%~14.97%	2	-	Working Capital	708	None	-	3,174,313	5,318,151
"	"	G	"	No	45,000	45,000	45,000	0.98%~14.97%	2	-	Working Capital	531	None	-	3,174,313	5,318,151
"	"	H	"	No	40,000	40,000	40,000	0.98%~14.97%	2	-	Working Capital	472	None	-	3,174,313	5,318,151
"	"	I	"	No	38,600	38,600	38,600	0.98%~14.97%	2	-	Working Capital	455	None	-	3,174,313	5,318,151
"	"	J	"	No	35,000	33,500	33,500	0.98%~14.97%	2	-	Working Capital	395	None	-	3,174,313	5,318,151
"	"	Summary of other clients	"	No	2,310,070	631,603	621,303	0.98%~14.97%	2	-	Working Capital	17,013	Properties	58,735	3,174,313	5,318,151
6	Chailease Finance Securitization Trust 2016	A	"	No	30,473	22,434	22,434	4.01%~15.90%	2	-	Working Capital	179	None	-	49,738	880,589
"	"	B	"	No	20,000	18,182	18,182	4.01%~15.90%	1	50,000	-	145	None	-	49,738	880,589
"	"	C	"	No	24,000	16,477	16,477	4.01%~15.90%	2	-	Working Capital	132	Bank Deposits	4,000	49,738	880,589
"	"	D	"	No	25,000	13,853	13,853	4.01%~15.90%	2	-	Working Capital	111	None	-	49,738	880,589
"	"	E	"	No	22,500	10,019	10,019	4.01%~15.90%	2	-	Working Capital	80	None	-	49,738	880,589
"	"	F	"	No	34,345	9,633	9,633	4.01%~15.90%	2	-	Working Capital	77	Bank Deposits	9,000	49,738	880,589
"	"	G	"	No	19,200	9,380	9,380	4.01%~15.90%	2	-	Working Capital	75	None	-	49,738	880,589
"	"	H	"	No	10,000	9,268	9,268	4.01%~15.90%	1	100,000	-	74	Bank Deposits	2,000	49,738	880,589
"	"	I	"	No	10,000	8,969	8,969	4.01%~15.90%	2	-	Working Capital	72	None	-	49,738	880,589
"	"	J	"	No	21,476	8,217	8,217	4.01%~15.90%	2	-	Working Capital	66	Bank Deposits	3,200	49,738	880,589
"		Summary of other clients	"	No	74,208	33,741	33,741	4.01%~15.90%	1	215,809	-	271	Bank Deposits	33,960	49,738	880,589
"	"	"	"	No	791,242	259,262	259,262	4.01%~15.90%	2	-	Working Capital	2,564	Bank Deposits	95,510	49,738	880,589
7	Chailease International Corp.	Chailease International Finance Corporation	Receivables from related party	Yes	447,200	447,200	-	4.35%	2	-	Working Capital	-	None	-	924,234	1,478,775
8	Chailease Finance International Corp.	Chailease International Finance Corporation	"	Yes	447,200	447,200	-	4.35%	2	-	Working Capital	-	None	-	950,618	1,520,988

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

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

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

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

(2)Subsidiary – The maximum fund loaning provided by Fina Finance & Trading Co., Ltd. for individual entity cannot exceed 10% of net worth ($1,279,622).

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

(4)Subsidiary – The maximum fund loaning provided by Chailease International Finance Corporation for individual entity cannot exceed 5% of net worth ($1,141,986). The maximum fund loaning cannot exceed 25% of net worth ($5,709,929) to individual affiliate.

(5)Subsidiary – The maximum fund loaning provided by Chailease Specialty Finance Co., Ltd. for individual entity cannot exceed 10% of net worth ($3,174,313) of parent company (Chailease Finance Co., Ltd.).

(6)Special purpose entities – The maximum fund loaning provided by Chailease Finance Securitization Trust 2016 for individual entity cannot exceed 1% of securitized financial assets approved by the competent authority ($49,738).

(7)Subsidiary – The maximum fund loaning provided by Chailease International Corp. for individual entity cannot exceed 5% of net worth ($184,847). The maximum fund loaning cannot exceed 25% of net worth ($924,234) to individual affiliate.

(8)Subsidiary— The maximum fund loaning provided by Chailease Finance International Corp. for individual entity cannot exceed 5% of net worth ($190,124). The maximum fund loaning cannot exceed 25% of net worth ($950,618) to individual affiliate.

Note 3: Limit on the amount for loaning fund

(1)Subsidiary— Total amount of fund loaning provided by Chailease Finance Co., Ltd. cannot exceed net worth ($31,743,134), total amount of fund loaning for short-term financing cannot exceed 40% of net worth ($12,697,254) of the most recent financial statement.

(2)Subsidiary— Total amount of fund loaning provided by Fina Finance & Trading Co., Ltd. cannot exceed net worth ($12,796,223), total amount of fund loaning for short-term financing cannot exceed 40% of net worth ($5,118,489) of the most recent financial statement.

(3)Subsidiary— Total amount of fund loaning provided by Chailease Consumer Finance Co., Ltd. cannot exceed net worth ($3,749,610), total amount of fund loaning for short-term financing cannot exceed 40% of net worth ($1,499,844) of the most recent financial statement.

(4)Subsidiary— Total amount of fund loaning provided by Chailease International Finance Corporation cannot exceed 40% of net worth ($9,135,886) of the most recent financial statement.

(5)Subsidiary— Total amount of fund loaning provided by Chailease Specialty Finance Co., Ltd. cannot exceed net worth ($5,318,151), total amount of fund loaning for short-term financing cannot exceed 40% of net worth ($2,127,260) of the most recent financial statement.

(6)Special purpose entities— Total amount of fund loaning provided by Chailease Finance Securitization Trust 2016 cannot exceed 10% of securitized financial assets approved by the competent authority.

(7)Subsidiary— Total amount of fund loaning provided by Chailease International Corp. cannot exceed 40% of net worth ($1,478,775) of the most recent financial statement.

(8)Subsidiary— Total amount of fund loaning provided by Chailease Finance International Corp. cannot exceed 40% of net worth ($1,520,988) of the most recent financial statement.

Note 4: Counter parties

(1)Subsidiary— Chailease Finance Co., Ltd.: There are 4,639 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 817 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.

(3)Subsidiary— Chailease Consumer Finance Co., Ltd.: There are 33 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.

(4)Subsidiary— Chailease International Finance Corporation: There are 93 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.

(5)Subsidiary— Chailease Specialty Finance Co., Ltd.: There are 165 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.

(6)Special purpose entities— Chailease Finance Securitization Trust 2016: There are 136 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.

(7)Subsidiary— Chailease International Corp.: There is 1 counter party during the period.

(8)Subsidiary— Chailease Finance International Corp.: There is 1 counter party during the period.

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

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 (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)										
0	The Company	Chailease International Finance Corporation	2	122,428,450	24,830,199	24,599,460	16,513,758	-	40.19 %	306,071,125	Y		Y
"	"	Chailease International Leasing Company Limited (Vietnam)	2	122,428,450	1,547,750	1,535,750	1,372,316	-	2.51 %	306,071,125	Y		
"	"	Golden Bridge (B.V.I.) Corp.	2	122,428,450	154,775	153,575	-	-	0.25 %	306,071,125	Y		
"	"	Chailease International Company (Malaysia) Limited	2	122,428,450	154,775	153,575	-	-	0.25 %	306,071,125	Y		
"	"	Chailease Berjaya Credit Sdn. Bhd.	2	30,607,113	5,393,528	5,393,528	4,305,392	-	8.81 %	306,071,125	Y		
"	"	Chailease Royal Leasing Plc.	2	30,607,113	1,695,650	1,689,325	667,898	-	2.76 %	306,071,125	Y		
"	"	Chailease Berjaya Finance Corporation	2	30,607,113	1,422,470	1,413,895	182,802	-	2.31 %	306,071,125	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	Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Co., Ltd.	2	63,486,268	1,083,425	737,160	737,160	-	2.32 %	158,715,670	Y		
"	"	Chailease Auto Rental Co., Ltd.	2	63,486,268	5,027,865	5,027,865	2,650,000	-	15.84 %	158,715,670	Y		
"	"	Chailease Consumer Finance Co., Ltd.	2	63,486,268	4,740,000	4,740,000	840,000	-	14.93 %	158,715,670	Y		
"	"	Chailease Speciality Finance Co., Ltd.	2	63,486,268	900,000	600,000	5,000	-	1.89 %	158,715,670	Y		
"	"	Apex Credit Solutions Inc.	2	63,486,268	240,000	240,000	100	-	0.76 %	158,715,670	Y		
"	"	Chailease International Leasing Company Limited(Vietnam)	2	63,486,268	6,982,130	6,982,130	4,192,712	-	22.00 %	158,715,670	Y		
"	"	Chailease International Trading Company Limited(Vietnam)	2	63,486,268	829,087	829,087	22,034	-	2.61 %	158,715,670	Y		
"	"	Yun Tang Inc.	2	63,486,268	1,021,500	919,500	869,500	-	2.90 %	158,715,670	Y		
"	"	Chailease Credit Services Co., Ltd	2	63,486,268	36,000	36,000	19	-	0.11 %	158,715,670	Y		
"	"	Chailease Energy Integration Co., Ltd.	2	63,486,268	1,330,000	1,330,000	5,000	-	4.19 %	158,715,670	Y		
"	"	Chailease Power Technology Co., Ltd.	2	63,486,268	100,000	100,000	100,000	-	0.32 %	158,715,670	Y		
"	"	Grand Pacific Financing Corp.	2	61,214,225	3,343,140	3,317,220	847,734	-	10.45 %	158,715,670			
"	"	Chailease International Financial Services Co., Ltd.	2	61,214,225	28,470,469	28,470,469	18,477,455	-	89.69 %	158,715,670			
"	"	Chailease International Financial Services (Liberia) Co.,Ltd.	2	61,214,225	282,720	107,503	107,503	-	0.34 %	158,715,670			
2	Asia Semula Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	2	9,762,476	333,620	333,620	119,150	-	6.81 %	24,406,190	Y		
3	Chailease International Finance Corporation	Chailease International Corp.	2	54,390,365	8,799,120	8,234,150	3,668,837	-	36.06 %	114,198,580	Y		Y
"	"	Chailease Finance International Corp.	2	54,390,365	5,850,683	5,550,870	2,462,623	-	24.30 %	114,198,580	Y		Y
"	"	DMC Energy Management Services (Shenzhen) Co., Ltd.	4	13,597,591	105,435	100,620	14,128	-	0.44 %	114,198,580			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 Chailease 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 Chailease Finance Co., Ltd. for Chailease International Financial Services Co., Ltd., Chailease Finance (B.V.I) Company Ltd., Chailease Specialty Finance Co., Ltd. and Chailease Auto Rental Co., Ltd. is $1,925,025. The total amount has been adjusted.

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

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

Note 8: The total amount of guarantees and endorsements provided by the Company for Chailease International Finance Corp. and Chailease International Corp. is CNY130,000 thousand dollars ($581,360). The total amount has been disclosed in the balance of guarantees and endorsements for Chailease International Corp.

Note 9: 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 dollars ($307,150). 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				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Fubon Financial Holding 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	250	11,762	- %	11,762	- %	
〃	Fubon SSE 180 ETF	〃	〃	880	22,202	- %	22,202	- %	
〃	Cathay Financial Holdings Co., Ltd.	〃	〃	550	25,850	- %	25,850	- %	
〃	Taiwan Prosperity Chemical Corporation	〃	〃	410	9,286	- %	9,286	- %	
〃	Chicony	〃	〃	220	13,772	- %	13,772	- %	
〃	Hon Hai Precision Industry Co., Ltd.	〃	〃	310	21,948	- %	21,948	- %	
〃	Catcher Technology Co., Ltd.	〃	〃	70	15,750	- %	15,750	- %	
〃	Forcera Materials Co., Ltd.	〃	〃	126	480	- %	480	- %	
〃	Yuanta Daily Taiwan 50 Bear -1X ETF	〃	〃	2,700	35,640	- %	35,640	- %	
〃	Cathay FTSE China A50 ETF	〃	〃	600	9,930	- %	9,930	- %	
〃	Cathay TAIEX Daily Inversed ETF	〃	〃	900	13,572	- %	13,572	- %	
〃	ORIENTAL UNION CHEMICAL CORP.,	〃	〃	267	6,889	- %	6,889	- %	
〃	CHINA STEEL STRUCTURE CO.,LTD.	〃	〃	173	4,559	- %	4,559	- %	
〃	Hsin Kuang Steel co. LTD.,	〃	〃	267	8,304	- %	8,304	- %	
〃	YAGEO CORPORATION	〃	〃	30	9,570	- %	9,570	- %	
〃	Taiwan Semiconductor Manufacturing Co., Ltd.	〃	〃	60	13,530	- %	13,530	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Da-cin Construction 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	90	1,764	- %	1,764	- %	
〃	Mega Financial Holding Company Ltd.	〃	〃	210	5,450	- %	5,450	- %	
〃	CTBC FINANCIAL HOLDING CO., LTD.	〃	〃	360	7,272	- %	7,272	- %	
〃	Fitipower Integrated Technology Inc.	〃	〃	67	2,472	- %	2,472	- %	
〃	CTCI Corp.	〃	〃	120	5,328	- %	5,328	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	339,932	- %	339,932	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	180,000	- %	180,000	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	73,544	- %	73,544	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	280,240	- %	280,240	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	48,500	- %	48,500	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	73,800	- %	73,800	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	70,700	- %	70,700	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	651,000	- %	651,000	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	41,215	- %	41,215	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	132,560	- %	132,560	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	37,185	- %	37,185	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	460,000	- %	460,000	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	13,250	- %	13,250	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	10,614	- %	10,614	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	224,686	- %	224,686	- %	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Bank of BEA's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	155,900	- %	155,900	- %	
〃	Bank of BEA's Beneficial Right of the Real Estate Trust	—	〃	-	890,000	- %	890,000	- %	
〃	Bank of Sunny's Beneficial Right of the Real Estate Trust	—	〃	-	45,000	- %	45,000	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	30,000	- %	30,000	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	44,736	- %	44,736	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	25,000	- %	25,000	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	37,000	- %	37,000	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	17,333	- %	17,333	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	640	- %	640	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	18,820	- %	18,820	- %	
〃	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	—	〃	-	53,075	- %	53,075	- %	
〃	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	〃	-	44,690	- %	44,690	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	130,000	- %	130,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	258,000	- %	258,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	1,364	- %	1,364	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	44,000	- %	44,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	2,673	- %	2,673	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	1,150	- %	1,150	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	29,000	- %	29,000	- %	
〃	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	138,000	- %	138,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	48,000	- %	48,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	95,000	- %	95,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	244,290	- %	244,290	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	860,000	- %	860,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	176,187	- %	176,187	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	203,300	- %	203,300	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	263,720	- %	263,720	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	113,000	- %	113,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	266,800	- %	266,800	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	40,820	- %	40,820	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	486,750	- %	486,750	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	47,740	- %	47,740	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	74,000	- %	74,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	27,710	- %	27,710	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	63,943	- %	63,943	- %	
〃	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	—	〃	-	68,000	- %	68,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	222,490	- %	222,490	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	492,000	- %	492,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	182,000	- %	182,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	561,500	- %	561,500	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	〃	-	325,000	- %	325,000	- %	
〃	Bank of FEI's Beneficial Right of the Real Estate Trust	—	〃	-	41,090	- %	41,090	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	139,860	- %	139,860	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	80,400	- %	80,400	- %	
〃	Bank of BEA's Beneficial Right of the Real Estate Trust	—	〃	-	25,100	- %	25,100	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	68,000	- %	68,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	83,000	- %	83,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	53,000	- %	53,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	〃	-	195,000	- %	195,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	–	Non-current financial assets at amortized cost	-	226,500	- %	226,500	- %	
〃	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	–	〃	-	11,137	- %	11,137	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	–	〃	-	21,827	- %	21,827	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	–	〃	-	21,850	- %	21,850	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	–	〃	-	26,000	- %	26,000	- %	
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	–	〃	-	450,000	- %	450,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	–	〃	-	147,200	- %	147,200	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	–	〃	-	82,000	- %	82,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	–	〃	-	210,000	- %	210,000	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	–	〃	-	116,600	- %	116,600	- %	
〃	Bank of FEI's Beneficial Right of the Real Estate Trust	–	〃	-	19,610	- %	19,610	- %	
〃	Chicony	Investee company accounted for under the financial assets at fair value through profit or loss	Non-current financial assets at fair value through other comprehensive income	642	40,201	0.09 %	40,201	0.09 %	
〃	CTCI Corp.	〃	〃	770	34,188	0.10 %	34,188	0.10 %	
〃	U-Ming Marine Transport Corp.	〃	〃	270	8,708	0.03 %	8,708	0.03 %	
〃	Chin Poon	〃	〃	380	13,699	0.10 %	13,699	0.10 %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Finance Co., Ltd.	O-Bank	Investee company accounted for under the financial assets at fair value through profit or loss	Non-current financial assets at fair value through other comprehensive income	92,694	741,552	3.42 %	741,552	3.42 %	
"	Subton Technology Co., Ltd.	"	"	288	2,949	0.10 %	2,949	0.10 %	
"	Information Technology Total Services Corp.	"	"	23	418	0.25 %	418	0.25 %	
"	Kingmax Technology Inc.	"	"	2,081	21,043	4.73 %	21,043	4.73 %	
"	Spring House Entertainment Tech Inc.	"	"	857	6,884	4.67 %	6,884	4.67 %	
"	Everterminal Co., Ltd.	"	"	490	5,488	0.50 %	5,488	0.50 %	
"	Enova Technology Corp.	"	"	550	1,586	3.07 %	1,586	3.07 %	
"	Tekcon Electronics Corp.	"	"	137	2,288	0.52 %	2,288	0.52 %	
"	Ecomsoftware Inc.	"	"	130	2,502	2.60 %	2,502	2.60 %	
"	Crownpo Technology Inc.	"	"	57	1,193	0.51 %	1,193	0.51 %	
"	Book4u Co., Ltd.	"	"	9	88	0.19 %	88	0.19 %	
"	Inventec energy Corp.	"	"	51	-	0.15 %	-	0.15 %	(Note 2)
"	Webi &Net Internet Services Inc.	"	"	250	-	10.53 %	-	10.53 %	(Note 2)
"	Skanhex Technology Inc.	"	"	5,273	-	4.53 %	-	4.53 %	(Note 2)
"	Rosun Technologies, Inc.	"	"	182	-	- %	-	- %	(Note 2) percentage of ownership less than 0.01%
"	EastWest Pharmaceuticals	"	"	242	-	5.84 %	-	5.84 %	(Note 2)
"	Azanda Network Devices	"	"	714	-	- %	-	- %	(Note 2) percentage of ownership less than 0.01%
"	Sampotech Co., Ltd.	"	"	369	-	0.10 %	-	0.10 %	(Note 2)
"	Bexcom Pte Ltd.	"	"	197	-	- %	-	- %	(Note 2) percentage of ownership less than 0.01%
"	TECO Nanotech Co., Ltd	"	"	95	-	0.38 %	-	0.38 %	(Note 2)
"	Deerport Aviation Corp.	"	"	-	-	10.48 %	-	10.48 %	(Note 2) shareholding less than 1,000 shares
Chailease Speciality Finance Co., Ltd.	Linkou amusement Co., Ltd.(Stock)	Investee company accounted for under the financial assets at fair value through profit or loss	Non-current financial assets at fair value through other comprehensive income	-	36,708	- %	36,708	- %	(Note 2) shareholding less than 1,000 shares
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	265,795	- %	265,795	- %	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	155,000	- %	155,000	- %	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Highest percentage of ownership during the year	Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)		
Chailease Speciality Finance Co., Ltd.	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	133,000	- %	133,000	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	98,000	- %	98,000	- %	
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	〃	-	5,155	- %	5,155	- %	
〃	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	37,000	- %	37,000	- %	
Bangkok Grand Pacific Lease Public Company Limited	Bangkok Club Co., Ltd.(Stock)	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	64	201	0.14 %	201	0.14 %	
Asia Sermkij Leasing Public Co., Ltd.	Swe Trans Group Co., Ltd.	〃	〃	10	9,055	19.00 %	9,055	19.00 %	
〃	Bumrungrad Hospital (Stock)	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	59	10,456	0.10 %	10,456	0.10 %	
Chailease International Financial Services Co., Ltd.	Clean Focus Yield Limited	〃	〃	-	749,856	- %	749,856	- %	
Grand Pacific Holding Corp.	Mobileshift, Inc.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	359	7,679	3.45 %	7,679	3.45 %	
〃	Stemcyte Inc.	〃	〃	38	1,536	0.15 %	1,536	0.15 %	
Grand Pacific Financing Corp.	Swabplus Inc.	〃	〃	10	-	- %	-	- %	
〃	Mobileshift, Inc.	〃	〃	358	7,678	3.45 %	7,678	3.45 %	
〃	Stemcyte Inc.	〃	〃	38	1,536	0.15 %	1,536	0.15 %	

Note 1: Listed companies use price in the open market, and non-listed companies use its net worth. The aforementioned net worths were calculated in financial statements audit by accountants.
Note 2: The chance of recover of the decrease in net worth and continuous losses is insignificant; therefore, they belong to permanent reduction.
Note 3: The aforementioned inter-company transactions have been eliminated upon the consolidation.

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	Golden Bridge (B.V.I.) Corp.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
〃	Chailease International Company (Malaysia) Limited	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited	〃	-	-	-	-	-	-	-	-	-	-	-	-
〃	Chailease Berjaya Credit Sdn. Bhd.	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	Current financial assets at amortized cost	-	-	-	-	-	860,000	-	-	-	-	-	860,000
〃	〃	〃	-	-	-	-	-	325,000	-	-	-	-	-	325,000
〃	〃	〃	-	-	-	-	-	555,700	-	-	68,950	-	-	486,750
〃	〃	〃	-	-	-	-	-	2,200,000	-	-	2,200,000	-	-	-
〃	〃	〃	-	-	-	-	-	492,000	-	-	-	-	-	492,000
〃	〃	〃	-	-	-	-	-	561,500	-	-	-	-	-	561,500
〃	Bank of Yuanta's Beneficial Right of the Real Estate Trust	〃	-	-	-	400,500	-	20,000	-	-	420,500	-	-	-
〃	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	〃	-	-	-	-	-	450,000	-	-	-	-	-	450,000
〃	Bank of Panhsin's Beneficial Right of the Real Estate Trust	〃	-	-	-	395,453	-	-	-	-	395,453	-	-	-
〃	Fina Finance & Trading Co., Ltd.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
〃	Chailease Auto Rental Co., Ltd.	〃	-	-	-	-	-	-	-	-	-	-	-	-
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd.	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	〃	-	-	-	-	-	-	-	-	-	-	-	-

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
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
My Leasing (Mauritius) Corp.	Chailease International Finance Corporation	〃	-	-	-	-	-	-	-	-	-	-	-	-
Chailease International Finance Corporation	Chailease Finance International Corp.	〃	-	-	-	-	-	-	-	-	-	-	-	-

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 Specialty Finance Co., Ltd.	Chailease Finance Co., Ltd.	Parent Company	378,436	-	-		-	-
My Leasing (B.V.I.) Corp.	Golden Bridge (B.V.I.) Corp.	Associates	1,667,855	-	-		-	-
Chailease International Financial Services Co., Ltd.	Chailease International Company (Malaysia) Limited	Associates	1,327,503	-	-		-	-
〃	Chailease International Financial Services (Labuan) Co., Ltd.	Subsidiaries	734,628	-	-		-	-
Chailease Finance (B.V.I) Co., Ltd.	Chailease International Financial Services Co., Ltd.	Associates	4,637,033	-	-		-	-
〃	Chailease International Financial Services (Liberia) Corp.	Associates	462,009	-	-		-	-

Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailease International Company (Malaysia) Limited	Golden Bridge (B.V.I.) Corp.	Associates	308,437	-	-		-	-
〃	Chailease International Company (UK) Limited	Subsidiaries	1,328,455	-	-		-	-
Chailease International Company (UK) Limited	C&E Engine Leasing Limited	Associates	1,328,712	-	-		-	-

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

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

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

No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
1	Chailease Finance Co., Ltd	Chailease Berjaya Credit Sdn. Bhd. 、Chailease Finance (B.V.I.) Company Ltd. 、Chailease Credit Services Co., Ltd. 、Yun Tang Inc. 、Chailease Energy Integration Co., Ltd. 、Chailease Finance Securitization Turst 2016 、Chailease Consumer Finance Co., Ltd. 、Golden Bridge (B.V.I.) Corp. 、Chailease International Finance Corporation 、Chailease International Financial Services Co., Ltd. 、Chailease International Financial Services (Liberia) Corp. 、Grand Pacific Holdings Corp. 、Chailease Royal Leasing Plc 、Chailease Berjaya Finance Corporation 、Chailease Specialty Finance Co., Ltd. 、Apex Credit Solutions Inc. 、Chailease Auto Rental Co., Ltd. 、Chailease International Leasing Company Limited (Vietnam) 、Chailease Power Technology Co.,Ltd. 、Chailease International Trading Company Limited(Vietnam)	3	Other current financial assets	351,275	Same as normal transactions	0.09 %
1	〃	Chailease Specialty Finance Co., Ltd.	3	Payables and notes	378,436	〃	0.09 %
1	〃	Chailease Auto Rental Co., Ltd. 、Chuang Ju Limited Partnership 、Chailease International Finance Corporation	3	Other current financial liabilities	22,484	〃	- %
1	〃	Fina Finance & Trading Co., Ltd. 、Chailease Auto Rental Co., Ltd. 、Apex Credit Solutions Inc. 、Chailease Energy Integration Co., Ltd. 、Chailease Consumer Finance Co., Ltd. 、Chailease International Company (UK) Limited.	3	Operating expense	193,703	〃	0.38 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
1	Chailease Finance Co., Ltd	Chailease Speciality Finance Co.,Ltd. 、Chailease Berjaya Credit Sdn. Bhd. 、Chailease Finance (B.V.I.) Company, Ltd. 、Chailease Credit Services Co., Ltd. 、Yun Tang Inc. 、Chailease Energy Integration Co., Ltd. 、Chailease Finance Securitization Turst 2016 、Chailease Consumer Finance Co., Ltd. 、Chailease International Finance Corporation 、Chailease International Financial Services Co., Ltd. 、Chailease International Financial Services (Liberia) Corp. 、Grand Pacific Holdings Corp. 、Chailease Insurance Brokers Co., Ltd. 、Chailease Berjaya Finance Corp. 、Chailease Royal Leasing Plc. 、Chailease Power Technology Co., Ltd. 、Sing Chuang Limited Partnership 、Chuang Ju Limited Partnership 、Apex Credit Solutions Inc. 、Asia Sermkij Leasing Public Co., Ltd. 、Bangkok Grand Pacific Lease Public Company Limited 、Chailease International Leasing Company Limited (Vietnam) 、Chailease Cloud Service Co., Ltd. 、Golden Bridge (B.V.I.) Corp. 、Chailease International Trading Company Limited(Vietnam) 、Chailease Auto Rental Co., Ltd. 、Fina Finance & Trading Co., Ltd.	3	Operating revenues and non-operating income	644,378	Same as normal transactions	1.28 %
2	Chailease Finance (B.V.I) Co., Ltd.	Chailease International Financial Services Co., Ltd. 、Chailease International Financial Services (Liberia) Corp.	3	Financing and interest receivable	5,099,043	〃	1.27 %
2	〃	Chailease International Financial Services Co., Ltd. 、Chailease International Financial Services (Liberia) Corp.	3	Operating revenues	209,984	〃	0.42 %
3	Chailease International Finance Corporation	Chailease Finance Co., Ltd. 、Jirong Real Estate Co., Ltd.	3	Other current financial liabilities	189,808	〃	0.05 %
3	〃	Chailease Finance Co., Ltd. 、Jirong Real Estate Co., Ltd.	3	Operating expense	239,128	〃	0.47 %
4	Golden Bridge(B.V.I) Corp.	Chailease Finance Co., Ltd.	3	Other current financial liabilities	44,992	〃	0.01 %
4	〃	Chailease Finance Co., Ltd.	3	Operating expense	44,200	〃	0.09 %
4	〃	Chailease International Company (Malaysia) Limited. 、My Leasing (B.V.I.) Corp. 、My Leasing (Mauritius) Corp.	3	Borrowings and interest payable	2,068,856	〃	0.52 %
5	My leasing (Mauritius) Corp.	Golden Bridge(B.V.I) Corp.	3	Financing and interest receivable	92,563	〃	0.02 %
6	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited 、SK Insurance Broker Co., Ltd.	3	Other current financial assets	2,169,486	〃	0.54 %
6	〃	〃	3	Operating revenues and non-operating income	129,767	〃	0.26 %
7	Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Labuan) Co., Ltd. 、Chailease International Company (Malaysia) Limited	3	Financing and interest receivable	1,484,034	〃	0.37 %

No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
7	Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Labuan) Co., Ltd.	3	Capital leases receivable	578,097	Same as normal transactions	0.14 %
7	〃	Chailease Finance (BVI) Co., Ltd.	3	Borrowings and interest payable	4,637,033	〃	1.16 %
7	〃	Chailease Finance Co., Ltd. 、Chailease Finance (B.V.I.) Co., Ltd.	3	Operating cost and expenses	252,781	〃	0.50 %
7	〃	Chailease Finance Co., Ltd.	3	Other current financial liabilities	43,037	〃	0.01 %
8	Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited 、Golden Bridge (BVI) Corp.	3	Financing and interest receivable	1,636,892	〃	0.41 %
8	〃	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,327,503	〃	0.33 %

Note 1: Descriptions of numbers are as follows:

1.Parent company is coded "0".

2.The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationship is categorized as follows:

1.Transactions from parent company to subsidiary.

2.Transactions from subsidiary to parent company.

3.Transactions from subsidiary to subsidiary.

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

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

(b) Information on investees：

The information on investees of the Group for the year ended December 31, 2018 is as follows (excluding information on investment in Mainland China)：

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
The Company	Chailease International Company (Malaysia) Limited	Malaysia	Investment	19,301,770	17,458,870	1,097,247	100.00 %	34,097,397	100.00 %	6,210,135	6,210,135	
〃	Chailease International Financial Services Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	2,518,630	2,518,630	82,000	100.00 %	3,643,838	100.00 %	1,092,353	1,092,353	
〃	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	150,236	150,236	3,927	51.00 %	908,753	51.00 %	252,388	128,718	
〃	Golden Bridge (B.V.I.) Corp. and its subsidiaries	British Virgin Islands	Investment	12,943,593	11,714,994	377,150	100.00 %	25,693,937	100.00 %	6,201,313	6,201,313	
〃	Chailease International Company (Hong Kong) Limited	Hong Kong	Investment	9,215	-	300	100.00 %	9,076	100.00 %	(136)	(136)	
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	British Virgin Islands	Investment	697,545	697,545	22,550	100.00 %	630,029	100.00 %	(79,786)	(79,786)	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailease International Company (Malaysia) Limited	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	459,140	459,140	40,698	11.57 %	566,675	11.57 %	948,787	109,775	
"	Chailease International Company (UK) Limited	U.K.	Consulting, aircraft leasing and investment	23,389,505	21,316,243	397,567	100.00 %	31,713,817	100.00 %	6,189,452	6,189,452	
"	Chailease Berjaya Credit Sdn. Bhd.	Malaysia	Installment sales	373,380	248,920	52,500	70.00 %	465,478	70.00 %	100,875	70,613	
"	Chailease Royal Leasing Plc.	Cambodia	Leasing	92,145	64,502	3,000	60.00 %	107,802	60.00 %	36,951	22,171	
"	Chailease Royal Finance Plc.	"	Financing	18,183	-	2,112	60.00 %	3,581	60.00 %	5,580	-	
"	Yellowstone Holding AG	Swiss	Venture capital investment	163,722	109,148	525,000	35.00 %	143,851	35.00 %	(30,039)	(10,514)	
"	Chailease Berjaya Finance Corporation	Philippines	Leasing and financing	86,565	86,565	150,000	60.00 %	55,637	60.00 %	(33,953)	(20,372)	
Chailease Berjaya Credits Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Malaysia	Insurance Brokers	711	711	100	100.00 %	8,270	100.00 %	5,379	5,379	
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Taiwan	Installment sales, leasing and factoring	19,223,756	17,344,315	1,522,100	100.00 %	31,743,134	100.00 %	6,650,335	6,650,335	
"	C&E Engine Leasing Limited	Ireland	Leasing	479,005	366,166	15,595	50.00 %	493,588	50.00 %	28,632	14,316	
Chailease International (B.V.I.) Corp.	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	-	48.00 %	2,372	-	
"	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	4,339	48.00 %	10,354	4,263	
"	Chailease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	407,861	399,000	-	48.00 %	413,198	48.00 %	(99,894)	(39,550)	
"	Diamond Rain Group Limited	British Virgin Islands	Investment funds	266,790	266,790	8,686	35.28 %	192,967	48.00 %	(126,192)	(44,522)	
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Taiwan	Installment sales, trading and factoring	6,891,242	5,891,242	584,300	100.00 %	12,830,513	100.00 %	1,839,776	1,839,776	
"	Chailease Specialty Finance Co., Ltd.	Taiwan	Installment sales	5,137,496	5,137,496	201,561	100.00 %	5,318,151	100.00 %	237,294	237,294	
"	My Leasing (B.V.I.) Corp.	British Virgin Islands	Investment	522,155	522,155	17,000	100.00 %	1,792,845	100.00 %	61,135	61,135	
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	801,740	801,740	128,837	36.61 %	1,793,083	36.61 %	948,787	347,351	
"	Chailease Finance (B.V.I.) Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	1,256,551	1,256,551	40,910	100.00 %	4,810,552	100.00 %	118,173	118,173	

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CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

Notes to Consolidated Financial Statements

For the years ended December 31, 2018 and 2017

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

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailease 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 %	171,002	100.00 %	48,072	48,072	
"	Chung Hung Corp.	Taiwan	Foreign trade of machinery, equipment, transportation and leasing	1,000	1,000	100	28.57 %	1,254	28.57 %	154	44	
"	Chailease International Leasing Company Limited(Vietnam)	Vietnam	Leasing	583,230	583,230	-	100.00 %	1,202,572	100.00 %	140,571	140,571	
"	Chailease Auto Rental Co., Ltd.	Taiwan	Leasing	1,352,227	952,227	135,000	100.00 %	1,364,445	100.00 %	20,422	20,422	
"	Chailease Insurance Brokers Co., Ltd.	Taiwan	Personal and property insurance brokers	8,000	8,000	800	100.00 %	52,661	100.00 %	36,409	36,409	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing, leasing, real estate, and mortgage	126,199	126,199	3,773	49.00 %	873,116	49.00 %	252,388	123,670	
"	Chailease Cloud Service Co., Ltd.	Taiwan	Software of cloud products, leasing and installment sales	10,000	10,000	1,000	100.00 %	5,680	100.00 %	(93)	(93)	
"	Yun Tang Inc.	Taiwan	Solar power business	445,000	445,000	-	100.00 %	506,497	100.00 %	56,324	56,324	
"	Chailease Finance Securitization Trust 2014	Taiwan	Special purpose entity	-	1,034,797	-	- %	-	100.00 %	35,893	35,893	(Note 4)
"	Chailease Energy Integration Co., Ltd.	Taiwan	Solar power business	50,000	50,000	5,000	100.00 %	627,580	100.00 %	514,774	514,774	
"	Chailease Finance Securitization Trust 2016	Taiwan	Special purpose entity	880,589	880,589	-	100.00 %	715,227	100.00 %	215,762	215,762	
"	Chailease Power Technology Co., Ltd.	Taiwan	Solar power business	250,000	25,000	25,000	100.00 %	251,144	100.00 %	1,337	1,337	
"	Chailease International Trading Company Limited.(Vietnam)	Vietnam	Trading	153,575	153,575	-	100.00 %	150,156	100.00 %	10,013	10,013	
"	Chinatrust Whales Entertainment Co., Ltd.	Taiwan	Entertainment industry	-	1,000	-	- %	-	- %	-	-	
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co.,Ltd.	Taiwan	Leasing, installment sales and factoring	2,652,436	1,652,436	215,530	100.00 %	3,749,610	100.00 %	323,450	323,450	
"	Chailease Credit Services Co., Ltd.	Taiwan	Installment sales and leasing	10,101	10,101	1,000	100.00 %	9,863	100.00 %	268	268	
Chailease Consumer Finance Co.,Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	1,800,000	800,000	-	- %	1,895,938	- %	95,938	95,938	(Note 2)

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2018			Highest percentage of ownership during the year	Net income (losses) of the investee	Share of profits/losses of investee	Note
				December 31, 2018	December 31, 2017	Shares/Units (In thousands)	Percentage of ownership	Carrying value				
Chailease Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	1,500,000	1,500,000	-	- %	1,568,826	- %	68,826	68,826	(Note 3)
Chailease Credit Services Co.,Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	- %	-	-	(Note 2)
Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	- %	-	-	(Note 3)
Chailease International Financial Services Co., Ltd.	Chailease International Financial Services (Liberia) Corp.	Liberia	Leasing	307	307	-	100.00 %	152,074	100.00 %	34,492	34,492	share holding less than 1,000 shares
"	Chailease International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	922	922	30	100.00 %	8,097	100.00 %	959	959	

Note 1: The aforementioned inter-company transactions have been eliminated upon consolidation.
Note 2: Chailease Consumer Financial Co., Ltd. is limited partner, and Chailease Credit Services Co., Ltd. is general partner.
Note 3: Chailease Specialty Financial Co., Ltd. is limited partner, and Chailease Cloud Services Co., Ltd. is general partner.
Note 4: The subsidiary was terminated on November 23, 2018.

(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, 2018	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2018	Net Income (Losses) of the Investee	Percentage of Ownership	Percentage of Ownership	Share of profits/losses (Note 2)	Carrying Amount as of December 31, 2018	Accumulated Inward Remittance of Earnings as of December 31, 2018
					Outflow	Inflow							
Chailease International Finance Corporation	Leasing	10,596,675	(2)	-	-	-	-	6,468,156	100.00 %	100.00 %	6,468,156	27,195,182	3,163,645
Chailease Finance International Corp.	Leasing	1,842,900	(2)	-	-	-	-	627,045	100.00 %	100.00 %	627,045	3,802,471	-
Chailease International Corp.	Trading	894,400	(2)	-	-	-	-	923,464	100.00 %	100.00 %	923,464	3,696,937	-
Jirong Real Estate Co., Ltd.	House property leasing and management	760,240	(2)	-	-	-	-	9,119	100.00 %	100.00 %	9,119	803,996	-
DMC Energy Management Services (Shenzhen) Co., Ltd.	Environmental business	111,800	(2)	-	-	-	-	(7,102)	20.00 %	20.00 %	(1,155)	19,051	-

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: Investment gains and losses are recognized based on financial reports audited by certified public accountants.
Note 3: The limit isn't calculated because the Company is foreign company.
Note 4: All numbers are disclosed in NT dollars. The amounts involved with foreign currency are converted to NT dollars by using exchange rates on the financial report date.
Note 5: Current investment gains and losses and book values at the end of the period are included the amounts of direct and indirect investments.
Note 6: The aforementioned inter-company transactions have been eliminated upon consolidation.

3.Significant transactions:

The aforementioned inter company transaction have been eliminated upon consolidation for the year ended December 31, 2018, please refer to Note (13) (a).

(14) Segment Information

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

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

Operating segments financial information:

For the year ended December 31, 2018	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	$ 21,991,640	23,342,737	4,651,868	486,345	-	50,472,590
Intersegment revenues	1,190,828	80,275	212,942	67,197	(1,551,242)	-
Interest revenue	5,324	91,677	5,506	2,508	-	105,015
Total revenue	$ 23,187,792	23,514,689	4,870,316	556,050	(1,551,242)	50,577,605
Interest expenses	$ 1,998,277	2,766,950	1,060,135	274,822	-	6,100,184
Depreciation and amortization	$ 2,171,821	179,168	40,489	4,108	-	2,395,586
Share of profit (loss) of associates and joint ventures accounted for using equity method	$ 44	(1,155)	-	(76,006)	-	(77,117)
Reportable segment profit or loss	$ 7,120,947	6,262,587	1,203,243	(694,284)	-	13,892,493
Reportable segment assets	$ 231,358,489	123,706,669	48,801,939	8,040,707	(11,530,095)	400,377,709
Reportable segment liabilities	$ 200,036,898	96,344,586	41,608,081	9,855,140	(11,530,095)	336,314,610

For the year ended December 31, 2017	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	$ 19,411,071	18,134,092	3,515,274	394,262	-	41,454,699
Intersegment revenues	995,111	78,574	44,710	124	(1,118,519)	-
Interest revenue	4,485	67,441	8,568	1,267	-	81,761
Total revenue	$ 20,410,667	18,280,107	3,568,552	395,653	(1,118,519)	41,536,460
Interest expenses	$ 1,880,457	1,935,627	872,371	246,794	-	4,935,249
Depreciation and amortization	$ 1,992,357	194,364	32,554	4,336	-	2,223,611
Share of profit (loss) of associates and joint ventures accounted for using equity method	$ 111	597	-	3,042	-	3,750
Reportable segment profit or loss	$ 5,954,829	3,946,053	821,496	(718,993)	-	10,003,385
Reportable segment assets	$ 190,980,646	98,045,160	40,276,131	8,862,725	(10,587,977)	327,576,685
Reportable segment liabilities	$ 160,457,062	78,512,503	34,024,576	9,006,700	(10,587,977)	271,412,864

(c) Information about the products and services

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

Products and services	For the years ended December 31, 2018	2017
Sales revenue	$ 9,975,354	8,289,471
Interest revenue - installment sales	8,446,600	7,610,318
Interest revenue - capital lease	13,423,761	9,781,840
Rental revenue - operating leases	3,197,591	3,080,320
Interest revenue - loans	3,903,170	3,176,652
Other interest revenue	3,836,634	3,191,904
Other operating revenue	7,689,480	6,324,194
Total	$ 50,472,590	41,454,699

(d) Geographical information

Please refer to (Note14(b)) for the related information on the Group's reportable segments by geographical location.