

**CHAILEASE HOLDING COMPANY LIMITED
AND SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Six Months Ended June 30, 2020 and 2019**

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Independent Auditors' Review Report

To the Board of Directors of Chailease Holding Company Limited:

Introduction

We have reviewed the accompanying consolidated balance sheets of the Chailease Holding Company Limited (the "Company") and its subsidiaries (together referred to as the "Group") as of June 30, 2020 and 2019, the related consolidated statements of comprehensive income for the three months and the six months ended June 30, 2020 and 2019, as well as the changes in equity and cash flows for the six months ended June 30, 2020 and 2019, and notes to the consolidated financial statements, including a summary of significant accounting policies. The management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our review.

Scope of Review

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



Conclusion

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2020 and 2019, and of its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2020 and 2019 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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

A handwritten signature of the KPMG firm, written in black ink. The letters 'KPMG' are written in a stylized, cursive-like font.

KPMG

Taipei, Taiwan (Republic of China)
August 12, 2020

Notes to Readers

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

CHALEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

June 30, 2020, December 31, 2019, and June 30, 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Assets	2020.6.30		2019.12.31		2019.6.30	
		Amount	%	Amount	%	Amount	%
LIABILITIES AND EQUITY							
Current Liabilities :							
1100	Cash and cash equivalents (Notes 6(a) and (7))	\$ 29,534,501	6	18,660,546	4	18,484,906	4
1110	Current financial assets at fair value through profit or loss (Note 6(b))	537,580	-	232,658	-	825,896	-
1136	Current financial assets at amortized cost (Note 6(b))	12,644,979	2	10,799,119	2	8,934,757	2
1139	Current financial assets for hedging (Notes 6(b) and 6(c))	675,656	-	465,101	-	239,466	-
1170	Accounts receivable, net (Notes 6(d), (7) and (8))	331,074,479	63	322,186,288	65	289,088,172	66
1476	Other current financial assets (Notes 7) and (8))	7,321,851	1	8,514,593	2	4,651,220	1
1479	Other current assets(Notes 6(e))	7,981,751	2	6,258,911	1	5,137,170	1
		389,770,797	74	367,117,216	74	327,361,587	74
Non-current assets :							
1510	Non-current financial assets at fair value through profit or loss (Note 6(b))	29,052	-	87,919	-	70,786	-
1517	Non-current financial assets at fair value through other comprehensive income (Note 6(b))	838,126	-	899,035	-	957,952	-
1535	Non-current financial assets at amortized cost (Note 6(b))	3,119,121	1	2,769,750	1	1,885,599	-
1550	Investments accounted for using equity method (Note 6(f) and (8))	1,786,171	-	1,786,090	-	1,575,075	-
1600	Property, plant and equipment (Notes 6(g), (7) and (8))	38,734,258	7	34,476,923	7	29,960,459	7
1755	Right-of-use assets (Notes 6(h) and (7))	3,987,697	1	3,599,096	1	2,635,977	1
1780	Intangible assets (Note 6(i))	94,576	-	75,308	-	75,350	-
1840	Deferred tax assets (Note 6(o))	3,180,578	1	3,428,945	1	2,767,773	1
1930	Long-term accounts receivable, net (Notes 6(d), (7) and (8))	84,851,225	16	82,026,218	16	73,729,552	17
1995	Other non-current assets (Notes 7) and (8))	1,320,738	-	1,071,359	-	997,208	-
		137,941,542	26	130,220,643	26	114,655,731	26
Equity attributable to owners of the Company : (Note 6(p))							
	Share Capital	13,813,280	3	13,282,000	3	12,895,146	3
	Stock dividend to be distributed	-	-	-	-	386,854	-
	Capital surplus	17,380,040	3	17,379,467	4	17,367,796	4
	Special reserve	3,283,275	-	2,095,945	-	2,095,945	-
	Unappropriated retained earnings	40,348,820	8	40,287,825	8	32,556,478	7
	Other equity items	(4,582,613)	(1)	(3,283,275)	(1)	(1,521,815)	-
	Total equity attributable to owners of the Company	70,242,802	13	69,761,962	14	63,780,404	14
	Non-controlling interests	4,060,096	1	4,176,058	1	3,092,925	1
	Total equity	74,302,898	14	73,938,020	15	66,873,329	15
TOTAL ASSETS		\$ 527,712,339	100	497,337,859	100	442,017,318	100
TOTAL LIABILITIES AND EQUITY		\$ 527,712,339	100	497,337,859	100	442,017,318	100

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

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

CHAILEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

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

For the three months ended June 30, 2020 and 2019 and for the six months ended June 30, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

		For the three months ended June 30				For the six months ended June 30			
		2020		2019		2020		2019	
		Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues: (Note (7))									
4111	Sales revenue	\$ 1,149,082	8	3,490,408	24	1,949,869	7	5,968,198	22
4810	Interest revenue - installment sales	2,687,428	19	2,249,183	15	5,275,838	19	4,564,780	16
4820	Interest revenue - capital leases	4,839,785	34	4,256,447	29	9,786,262	35	8,139,828	30
4300	Rental revenue - operating leases	908,821	6	829,121	6	1,815,661	6	1,656,834	6
4230	Interest revenue - loans	1,224,543	9	1,124,311	8	2,483,622	9	2,194,007	8
4240	Other interest revenue	1,497,544	10	1,199,768	8	2,958,454	10	2,292,957	8
4881	Other operating revenue	1,991,717	14	1,424,639	10	3,971,731	14	2,652,998	10
		<u>14,298,920</u>	<u>100</u>	<u>14,573,877</u>	<u>100</u>	<u>28,241,437</u>	<u>100</u>	<u>27,469,602</u>	<u>100</u>
Operating costs: (Note (7))									
5111	Cost of sales	630,251	4	2,875,094	20	1,054,539	4	4,893,880	18
5240	Interest expense	2,190,670	15	1,896,449	13	4,432,572	16	3,751,093	14
5300	Cost of rental revenue	635,342	5	570,335	4	1,270,039	4	1,178,983	4
5800	Other operating costs	675,879	5	606,276	4	1,363,006	5	1,147,456	4
		<u>4,132,142</u>	<u>29</u>	<u>5,948,154</u>	<u>41</u>	<u>8,120,156</u>	<u>29</u>	<u>10,971,412</u>	<u>40</u>
	Gross profit from operation	<u>10,166,778</u>	<u>71</u>	<u>8,625,723</u>	<u>59</u>	<u>20,121,281</u>	<u>71</u>	<u>16,498,190</u>	<u>60</u>
6400	Operating expenses (Note (7))	<u>2,891,690</u>	<u>20</u>	<u>2,668,104</u>	<u>18</u>	<u>5,833,988</u>	<u>20</u>	<u>5,194,142</u>	<u>19</u>
6450	Expected credit loss (Note (6)(d))	<u>1,639,276</u>	<u>11</u>	<u>982,588</u>	<u>7</u>	<u>3,300,697</u>	<u>12</u>	<u>1,862,601</u>	<u>7</u>
6500	Net other income and expenses (Note (6)(s))	<u>98,876</u>	<u>1</u>	<u>122,223</u>	<u>1</u>	<u>165,644</u>	<u>1</u>	<u>222,647</u>	<u>1</u>
	Operating profit	<u>5,734,688</u>	<u>41</u>	<u>5,097,254</u>	<u>35</u>	<u>11,152,240</u>	<u>40</u>	<u>9,664,094</u>	<u>35</u>
Non-operating income and expenses:									
7100	Interest income	66,783	-	31,660	-	105,247	-	61,006	-
7130	Dividend income	1,354	-	3,314	-	1,354	-	3,314	-
7020	Other gains and losses (Note (6)(t) and (7))	23,863	-	343,308	2	366,960	1	534,956	2
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Note (6)(f))	(6,820)	-	155,280	1	(49,001)	-	146,537	1
		<u>85,180</u>	<u>-</u>	<u>533,562</u>	<u>3</u>	<u>424,560</u>	<u>1</u>	<u>745,813</u>	<u>3</u>
7900	Profit before income tax	<u>5,819,868</u>	<u>41</u>	<u>5,630,816</u>	<u>38</u>	<u>11,576,800</u>	<u>41</u>	<u>10,409,907</u>	<u>38</u>
7950	Less: Income tax expenses (Note (6) (o))	<u>1,684,019</u>	<u>12</u>	<u>1,470,742</u>	<u>10</u>	<u>3,340,974</u>	<u>12</u>	<u>2,554,414</u>	<u>10</u>
	Profit for the period	<u>4,135,849</u>	<u>29</u>	<u>4,160,074</u>	<u>28</u>	<u>8,235,826</u>	<u>29</u>	<u>7,855,493</u>	<u>28</u>
Other comprehensive income (loss):									
Components of other comprehensive income that will not be reclassified to profit or loss									
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	77,215	-	(2,280)	-	(60,259)	-	(6,532)	-
8349	Less: Income tax related to components that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
	Total components of other comprehensive income that will not be reclassified to profit or loss	<u>77,215</u>	<u>-</u>	<u>(2,280)</u>	<u>-</u>	<u>(60,259)</u>	<u>-</u>	<u>(6,532)</u>	<u>-</u>
Components of other comprehensive income (loss) that will be reclassified to profit or loss									
8361	Exchange differences on translation	(477,483)	(3)	(32,334)	-	(1,350,593)	(5)	796,178	3
8368	Gains (loss) on hedging instrument	480,422	3	(83,220)	(1)	(75,437)	-	6,237	-
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	9,455	-	(296)	-	7,727	-	(4,516)	-
8399	Less: Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Note (6)(o))	63,292	-	56,567	-	32,456	-	41,440	-
	Total components of other comprehensive income that will be reclassified to profit or loss	<u>(50,898)</u>	<u>-</u>	<u>(172,417)</u>	<u>(1)</u>	<u>(1,450,759)</u>	<u>(5)</u>	<u>756,459</u>	<u>3</u>
	Other comprehensive income (net of tax)	<u>26,317</u>	<u>-</u>	<u>(174,697)</u>	<u>(1)</u>	<u>(1,511,018)</u>	<u>(5)</u>	<u>749,927</u>	<u>3</u>
8500	Total comprehensive income for the period	<u>\$ 4,162,166</u>	<u>29</u>	<u>3,985,377</u>	<u>27</u>	<u>6,724,878</u>	<u>24</u>	<u>8,605,420</u>	<u>31</u>
Profit attributable to:									
8610	Owners of the Company	\$ 3,966,357	28	4,039,985	27	7,889,325	28	7,618,824	27
8620	Non-controlling interests	169,492	1	120,089	1	346,571	1	236,669	1
		<u>\$ 4,135,849</u>	<u>29</u>	<u>4,160,074</u>	<u>28</u>	<u>8,235,896</u>	<u>29</u>	<u>7,855,493</u>	<u>28</u>
Comprehensive income attributable to:									
8710	Owners of the Company	\$ 3,921,828	27	3,745,255	26	6,589,987	23	8,189,857	30
8720	Non-controlling interests	240,338	2	240,122	1	134,891	1	415,563	1
		<u>\$ 4,162,166</u>	<u>29</u>	<u>3,985,377</u>	<u>27</u>	<u>6,724,878</u>	<u>24</u>	<u>8,605,420</u>	<u>31</u>
9750	Basic earnings per share (NT dollars) (Note (6)(q))	<u>\$ 2.87</u>		<u>2.93</u>		<u>5.71</u>		<u>5.52</u>	

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

For the Six Months Ended June 30, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Company									
	Stock			Retained Earnings			Other Equity Items			Total equity
	Share capital	Stock dividend to be distributed	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	Gains (losses) on hedging instruments	Total equity attributable to owners of the Company	
Balance at January 1, 2019	\$ 12,895,146	-	17,367,796	1,397,823	31,649,405	(1,716,802)	(184,517)	(194,626)	61,214,225	64,063,099
Effects of retrospective application	-	-	-	-	(207,717)	-	-	-	(207,717)	-
Equity at beginning of period after adjustments	12,895,146	-	17,367,796	1,397,823	31,441,688	(1,716,802)	(184,517)	(194,626)	61,006,508	63,855,382
Profit for the six months ended June 30, 2019	-	-	-	-	7,618,824	-	-	-	7,618,824	7,855,493
Other comprehensive income (loss) for the six months ended June 30, 2019	-	-	-	-	571,328	-	(6,532)	6,237	178,894	749,927
Total comprehensive income (loss) for the six months ended June 30, 2019	-	-	-	-	7,618,824	-	(6,532)	6,237	8,189,857	8,605,420
Earnings distribution and appropriation:										
Special reserve appropriated	-	-	-	698,122	(698,122)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(5,415,961)	(5,415,961)	-	-	-	(5,415,961)	(5,415,961)
Stock dividends of ordinary share	-	386,854	-	(386,854)	(386,854)	-	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(171,512)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(3,097)	-	3,097	-	-	-
Balance at June 30, 2019	\$ 12,895,146	386,854	17,367,796	2,095,945	32,556,478	(1,145,474)	(187,952)	(188,389)	63,780,404	66,873,329
Balance at January 1, 2020	\$ 13,282,000	-	17,379,467	2,095,945	40,281,825	(3,239,314)	(219,957)	175,996	69,761,962	73,038,020
Profit for the six months ended June 30, 2020	-	-	-	-	7,889,325	-	-	-	7,889,325	8,235,896
Other comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	-	(1,163,642)	(60,259)	(75,437)	(1,299,338)	(1,511,018)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	7,889,325	(1,163,642)	(60,259)	(75,437)	6,589,987	6,724,878
Earnings distribution and appropriation:										
Special reserve appropriated	-	-	-	1,187,330	(1,187,330)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	(6,109,720)	(6,109,720)	-	-	-	(6,109,720)	(6,109,720)
Stock dividends of ordinary share	531,280	-	-	-	(531,280)	-	-	-	-	-
Other changes in capital surplus	-	-	573	-	-	-	-	-	573	573
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(250,853)
Balance at June 30, 2020	\$ 13,813,280	-	17,380,040	3,283,275	40,348,820	(4,402,956)	(280,216)	100,559	70,242,802	74,302,898

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

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

CHAILLEASE HOLDING COMPANY LIMITED AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the Six Months Ended June 30, 2020 and 2019

(Amounts Expressed in Thousands of New Taiwan Dollars)

	For the six months ended June 30,	
	2020	2019
Cash flows from operating activities:		
Profit before tax	\$ 11,576,800	10,409,907
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	2,112,704	1,792,011
Amortization expense	93,382	96,641
Expected credit loss	3,300,697	1,862,601
Net loss (gain) on financial assets or liabilities at fair value through profit or loss	52,224	(6,432)
Interest expense	4,461,944	3,773,456
Interest income	(20,609,423)	(17,252,578)
Dividend income	(1,354)	(3,314)
Share of loss (gain) of associates and joint ventures accounted for using equity method	49,001	(146,537)
Gain on disposal of property, plant and equipment	(76,839)	(76,298)
Loss on disposal of foreclosed assets	102,880	77,048
Impairment loss on non-financial assets	165,859	134,573
Effect of changes in lease contract	340	(531)
Total adjustments to reconcile profit	(10,348,585)	(9,749,360)
Changes in operating assets and liabilities:		
Changes in operating assets:		
(Increase) decrease in financial assets at fair value through profit or loss, mandatorily measured at fair value	(299,845)	124,386
Increase in accounts receivable	(21,775,501)	(33,514,371)
Decrease (increase) in other current financial assets	1,147,134	(206,883)
Increase in other current assets	(1,893,884)	(183,420)
Proceeds from sales of operating lease assets and operating equipments	671,993	613,088
Purchase of operating lease assets and operating equipments	(6,836,695)	(6,211,378)
Increase in other operating assets	(351,219)	(94,886)
Total changes in operating assets	(29,338,017)	(39,473,464)
Changes in operating liabilities:		
(Decrease) increase in accounts and notes payable	(1,610,405)	476,824
Increase in long term and short term debts	170,397,074	226,395,575
Repayment of long term and short term debts	(141,613,416)	(204,140,527)
Increase in other current financial liabilities	1,326,746	2,252,396
(Decrease) increase in accrued pension liabilities	(9,617)	17,109
Increase in other current liabilities	350,392	1,096,251
(Decrease) increase in other non-current operating liabilities	(133,765)	1,236,926
Total changes in operating liabilities	28,707,009	27,334,554
Total changes in operating assets and liabilities	(631,008)	(12,138,910)
Total adjustments	(10,979,593)	(21,888,270)
Cash flows provided by (used in) operations	597,207	(11,478,363)
Interest received	20,584,719	17,177,885
Dividends received	1,354	3,353
Interest paid	(4,443,366)	(3,820,032)
Income taxes paid	(2,729,418)	(1,957,782)
Net cash flows provided by (used in) operating activities	14,010,496	(74,939)
Cash flows from investing activities:		
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	22,628
Acquisition of financial assets at amortized cost	(7,942,527)	(2,491,574)
Proceeds from disposal of financial assets at amortized cost	5,747,297	3,941,798
Acquisition of investments accounted for using equity method	(165,585)	(162,178)
Proceeds from capital reduction of investments accounted for using equity method	1,165	-
Acquisition of property, plant and equipment	(59,751)	(110,313)
Proceeds from disposal of property, plant and equipment	53,681	78,968
Acquisition of intangible assets	(2,509)	(773)
Proceeds from disposal of foreclosed assets	17,896	114,641
Acquisition of right-of-use assets	(22,848)	(17,150)
Net cash flows (used in) provided by investing activities	(2,373,181)	1,376,047
Cash flows from financing activities:		
Change in non-controlling interests	(250,853)	(171,512)
Payment of lease liabilities	(274,295)	(310,730)
Other financing activities	573	-
Net cash flows used in financing activities	(524,575)	(482,242)
Effect of exchange rate changes on cash and cash equivalents	(238,785)	83,266
Net increase in cash and cash equivalents	10,873,955	902,132
Cash and cash equivalents at beginning of period	18,660,546	17,565,531
Cash and cash equivalents at end of period	\$ 29,534,501	18,467,663

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

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(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 June 30, 2020 and 2019, the Company had outstanding common stock of \$13,813,280 and \$12,895,146 divided into 1,381,328,031 shares and 1,289,514,593 shares, respectively.

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

The consolidated financial statements were authorized for issuance by Audit Committee and reported to Board of Directors and issued on August 12, 2020.

(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, 2020.

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 9, IAS39 and IFRS7 "Interest Rate Benchmark Reform"	January 1, 2020
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020
Amendments to IFRS 16 "Covid-19-Related Rent Concessions"	June 1, 2020

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

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

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

<u>New, Revised or Amended Standards and Interpretations</u>	<u>Effective date per IASB</u>
Amendments to IFRS 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, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023

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New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”	January 1, 2022
Annual Improvements to IFRS Standards 2018-2020	January 1, 2022
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023

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

(4) Summary of significant accounting policies

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2019. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2019.

(b) Basis of consolidation

1. List of subsidiaries in the consolidated financial statements

Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2020.6.30	2019.12.31	2019.6.30	
The Company	Chailase International Company (Malaysia) Limited	Investment	100.00 %	100.00 %	100.00 %	
”	Golden Bridge (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
”	Chailase International Financial Services Co., Ltd.	Installment sales, leasing overseas and financial consulting	100.00 %	100.00 %	100.00 %	
”	Chailase International Company (Hong Kong) Limited	Investment	100.00 %	100.00 %	100.00 %	

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2020.6.30	2019.12.31	2019.6.30	
The Company	Chailease International Financial Services (Liberia) Corp.	Leasing	100.00 %	100.00 %	-	% The Company acquired the subsidiary from Chailease International Financial Services Co., Ltd. on September 30, 2019.
"	Chailease International Financial Services (Labuan) Co., Ltd.	Leasing	100.00 %	100.00 %	-	% The Company acquired the subsidiary from Chailease International Financial Services Co., Ltd. on September 30, 2019.
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	Investment	100.00 %	100.00 %	100.00 %	
My Leasing (Mauritius) Corp.	Chailease International Finance Corporation	Leasing	97.85 %	97.85 %	97.85 %	
"	Chailease International Financial Services (Singapore) Pte. Ltd.	Financing	100.00 %	100.00 %	-	% My Leasing (Mauritius) Corp. invested in this subsidiary on December 18, 2019.
My Leasing (Mauritius) Corp. and Chailease International Finance Corporation	Chailease Finance International Corp.	Leasing	100.00 %	100.00 %	100.00 %	
Chailease International Finance Corporation	Chailease International Corp.	Trading	100.00 %	100.00 %	100.00 %	
"	Jirong Real Estate Co., Ltd.	House property leasing and management	100.00 %	100.00 %	100.00 %	
"	Chailease International Commercial Factoring Corporation	Factoring	100.00 %	-	%	% Chailease International Finance Corporation invested in this subsidiary on April 10, 2020.
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	Investment	-	%	100.00 %	100.00 % Chailease International (B.V.I.) Corp. was liquidated on April 14, 2020.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2020.6.30	2019.12.31	2019.6.30	
Chaillease International Company (Malaysia) Limited	Chaillease International Company (UK) Limited	Consulting, aircraft leasing and investment	100.00 %	100.00 %	100.00 %	
"	Chaillease Berjaya Credit Sdn. Bhd.	Installment sales	70.00 %	70.00 %	70.00 %	
"	Chaillease Royal Leasing Plc.	Leasing	60.00 %	60.00 %	60.00 %	
"	Chaillease Berjaya Finance Corporation	Leasing and financing	60.00 %	60.00 %	60.00 %	
"	Chaillease Royal Finance Plc.	Financing	60.00 %	60.00 %	60.00 %	
"	Chaillease JLK Capital Co., Ltd.	Investment	49.00 %	- %	- %	Chaillease International Company (Malaysia) Limited invested in this subsidiary on January 22, 2020.
Chaillease International Company (UK) Limited	Chaillease Finance Co., Ltd.	Installment sales, leasing, and factoring	100.00 %	100.00 %	100.00 %	
Chaillease International Financial Services Co., Ltd.	Chaillease International Financial Services (Liberia) Corp.	Leasing	- %	- %	100.00 %	Chaillease International Financial Services Co., Ltd. disposed all of its shares in this subsidiary to the Company on September 30, 2019.
"	Chaillease International Financial Services (Labuan) Co., Ltd.	Leasing	- %	- %	100.00 %	Chaillease International Financial Services Co., Ltd. disposed all of its shares in this subsidiary to the Company on September 30, 2019.
Chaillease International Company (Hong Kong) Limited	PT Chaillease Indosurya Finance	Financing	75.00 %	75.00 %	- %	Chaillease International Company (Hong Kong) Limited invested in this subsidiary on October 14, 2019.
"	Chaillease Management Consulting Co., Limited	Consulting	100.00 %	- %	- %	Chaillease International Company (Hong Kong) Limited invested in this subsidiary on February 12, 2020.

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2020.6.30	2019.12.31	2019.6.30	
Chailease Berjaya Credit Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	100.00 %	
"	Chailease Services Sdn. Bhd.	Insurance brokers	100.00 %	100.00 %	-	% Chailease Berjaya Credit Sdn. Bhd. invested in this subsidiary on September 13, 2019.
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Installment sales, trading, and factoring	100.00 %	100.00 %	100.00 %	
"	Chailease Specialty Finance Co., Ltd.	Installment sales	100.00 %	100.00 %	100.00 %	
"	My Leasing (B.V.I.) Corp.	Investment	100.00 %	100.00 %	100.00 %	
Chailease International Company (Malaysia) Limited, Chailease JLK Capital Co., Ltd. and Chailease Finance Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd.	Installment sales of automobiles	49.68 %	48.18 %	48.18 %	Please refer to Note (5) for the detailed disclosure of the judgment regarding the control of Asia Sermkij Leasing Public Co., Ltd.
Chailease Finance Co., Ltd.	Chailease Finance (B.V.I.) Company, Ltd.	Installment sales, leasing overseas, and financial consulting	100.00 %	100.00 %	100.00 %	
"	Chailease International Leasing Company Limited (Vietnam)	Leasing	100.00 %	100.00 %	100.00 %	
"	Chailease International Trading Company Limited (Vietnam)	Trading	100.00 %	100.00 %	100.00 %	
"	Chailease Auto Rental Co., Ltd.	Leasing	100.00 %	100.00 %	100.00 %	
"	Apex Credit Solutions Inc.	Accounts receivable management, debt management, valuation, trading in financial instruments	-	%	100.00 %	100.00 % The subsidiary was merged by Chailease Consumer Finance Co., Ltd. on June 15, 2020.
"	Chailease Insurance Brokers Co., Ltd.	Personal and property insurance brokers	100.00 %	100.00 %	100.00 %	
"	Chailease Cloud Service Co., Ltd.	Software of cloud products, leasing, and installment sales	100.00 %	100.00 %	100.00 %	

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio				Note
			2020.6.30	2019.12.31	2019.6.30		
Chailease Finance Co., Ltd.	Chailease Finance Securitization Trust 2016	Special Purpose Entity	- %	- %	- %		The subsidiary was established on August 24, 2016. (Note a)
"	Chailease Finance Securitization Trust 2019	Special Purpose Entity	- %	- %	- %		The subsidiary was established on December 11, 2019. (Note a)
"	Yun Tang Inc.	Solar Power business	100.00 %	100.00 %	100.00 %		
"	Chailease Energy Integration Co., Ltd	Solar Power business	100.00 %	100.00 %	100.00 %		
"	Chailease Power Technology Co., Ltd.	Solar Power business	100.00 %	100.00 %	100.00 %		
"	Chung Cheng Energy Integration Co., Ltd.	Solar Power business	100.00 %	100.00 %	-	%	The subsidiary was established on October 25, 2019.
"	Ho Lien Energy Integration Co., Ltd.	Solar Power business	100.00 %	100.00 %	-	%	The subsidiary was established on October 25, 2019.
"	Tai Yuan Energy Intergration Co., Ltd.	Solar Power business	100.00 %	- %	-	%	Chailease Finance Co., Ltd. invested in this subsidiary on January 9, 2020.
"	Chung Ho Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	-	%	The subsidiary was established on April 9, 2020.
"	Chung Yen Energy Integration Co., Ltd.	Solar Power business	100.00 %	- %	-	%	The subsidiary was established on April 15, 2020.
"	TUNG FENG INC.	Solar Power business	100.00 %	- %	-	%	Chailease Finance Co., Ltd. invested in this subsidiary on June 1, 2020.
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd	Factoring, trading-in, management, and valuation on accounts receivable; installment sales; financial instrument	100.00 %	100.00 %	100.00 %		
"	Chailease Credit Services Co., Ltd.	Installment sales and leasing	100.00 %	100.00 %	100.00 %		
The Company and Chailease Finance Co., Ltd.	Grand Pacific Holdings Corp.	Financing leasing, real estate, and mortgage	100.00 %	100.00 %	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 %	100.00 %		

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Investor	Name of Subsidiary	Primary Business	Shareholding Ratio			Note
			2020.6.30	2019.12.31	2019.6.30	
Chailease Specialty Finance Co., Ltd. and Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Installment sales and leasing	100.00 %	100.00 %	100.00 %	
Grand Pacific Holdings Corp.	Grand Pacific Financing Corp. (California)	Financing, leasing and financial consulting	100.00 %	100.00 %	100.00 %	
"	Grand Pacific Main Street Development, Inc.	Real estate development	100.00 %	100.00 %	100.00 %	
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	Leasing and financing consulting	99.99 %	99.99 %	99.99 %	
"	SK Insurance Broker Co., Ltd.	Insurance brokers	100.00 %	100.00 %	100.00 %	

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

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

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

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

(c) Income taxes

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

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

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

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(d) Employee benefits

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

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

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

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2019. For the related information, please refer to Note (5) of the consolidated financial statements for the year ended December 31, 2019.

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

(6) Explanation to Significant Accounts

(a) Cash and cash equivalents

	2020.6.30	2019.12.31	2019.6.30
Cash and demand deposits	\$ 27,851,725	17,504,337	16,709,235
Time deposits	1,482,776	725,720	1,169,595
Cash equivalents-repurchase bills	<u>200,000</u>	<u>430,489</u>	<u>606,076</u>
Cash and cash equivalents	29,534,501	18,660,546	18,484,906
Bank overdraft	<u>-</u>	<u>-</u>	<u>(17,243)</u>
Cash and cash equivalents in consolidated statements of cash flows	<u><u>\$ 29,534,501</u></u>	<u><u>18,660,546</u></u>	<u><u>18,467,663</u></u>

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

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(b) Financial instruments

1. The components of financial assets were as follows :

	<u>2020.6.30</u>	<u>2019.12.31</u>	<u>2019.6.30</u>
Financial assets designated at fair value through profit or loss			
Mandatorily measured at fair value through profit or loss :			
Securities of listed companies	\$ 151,922	232,178	174,025
Private equity	480	480	480
Non-hedging derivatives	316,940	-	651,391
Convertible bonds	77,514	68,685	70,786
Convertible preferred stocks	<u>19,776</u>	<u>19,234</u>	<u>-</u>
Sub-total	<u>566,632</u>	<u>320,577</u>	<u>896,682</u>
Financial assets at fair value through other comprehensive income			
Securities of listed companies	716,856	774,491	849,167
Emerging stock	3,081	3,515	3,541
Private equity	<u>118,189</u>	<u>121,029</u>	<u>105,244</u>
Sub-total	<u>838,126</u>	<u>899,035</u>	<u>957,952</u>
Financial assets measured at amortized cost			
Investment in debt securities	<u>15,764,100</u>	<u>13,568,869</u>	<u>10,820,356</u>
Current financial assets for hedging	<u>675,656</u>	<u>465,101</u>	<u>239,466</u>
Total	<u>\$ 17,844,514</u>	<u>15,253,582</u>	<u>12,914,456</u>

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

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

2. Financial assets measured at amortized cost

The Group purchased debt securities issued by real estate asset trust. These debt securities have maturity dates between 2020 and 2023, and bear effective annual interest rates ranging from 2.78%~9.99%.

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

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(c) Derivative instruments used for hedging

As of June 30, 2020, December 31, 2019, and June 30, 2019, the Group held derivative instruments qualified for hedge accounting as follows:

		2020.6.30			
	Nominal Amount	Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	12,000	USD to MYR	4.83%	90 Day LIBOR+ 1.35%	2019.03.20~
MYR	48,960				2022.03.21
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
USD	50,000	USD to CNY	4.21%	90 Day LIBOR+ 1.4%	2019.06.17~
CNY	345,500				2022.06.17
USD	50,000	USD to CNY	4.20%	90 Day LIBOR+ 1.4%	2019.07.15~
CNY	344,375				2022.07.15
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.19~
CNY	352,650				2022.08.19
USD	50,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2019.08.26~
CNY	352,650				2022.08.26
USD	60,000	USD to CNY	4.18%	90 Day LIBOR+ 1.4%	2020.01.13~
CNY	418,200				2023.01.13
USD	60,000	USD to CNY	3.98%	90 Day LIBOR+ 1.4%	2020.02.18~
CNY	418,800				2023.02.17
JPY	4,100,000	JPY to CNY	5.02%	90 Day LIBOR+ 0.85%	2018.07.11~
CNY	246,410				2021.06.21
JPY	7,500,000	JPY to CNY	4.70%	90 Day LIBOR+ 0.85%	2018.08.15~
CNY	458,700				2021.06.23
HKD	400,000	HKD to CNY	4.34%	90 Day HIBOR+ 1.4%	2019.11.25~
CNY	359,120				2022.11.25
HKD	300,000	HKD to CNY	4.16%	90 Day HIBOR+ 1.4%	2019.11.27~
CNY	269,400				2022.11.28
HKD	300,000	HKD to CNY	4.36%	90 Day HIBOR+ 1.4%	2019.12.09~
CNY	270,842				2022.12.09

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

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		2019.6.30			
Nominal Amount		Currency	Interest Rate Payable	Interest Rate Receivable	Contract Period
USD	5,040	USD to MYR	4.83%	90 Day LIBOR+ 1.4%	2018.06.04~
MYR	20,084				2020.03.02
USD	12,000	USD to MYR	4.83%	90 Day LIBOR+ 1.35%	2019.03.20~
MYR	48,960				2022.03.21
USD	50,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.10.23~
CNY	331,000				2020.10.23
USD	100,000	USD to CNY	5.00%	90 Day LIBOR+ 1.4%	2017.11.22~
CNY	665,200				2020.11.20
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	332,250				2020.12.18
USD	50,000	USD to CNY	4.98%	90 Day LIBOR+ 1.4%	2017.12.20~
CNY	331,400				2020.12.18
USD	50,000	USD to CNY	4.12%	90 Day LIBOR+ 1.4%	2019.01.22~
CNY	338,250				2022.01.21
USD	50,000	USD to CNY	4.21%	90 Day LIBOR+ 1.4%	2019.06.17~
CNY	345,500				2022.06.17
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

1. Cash flow hedge

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

Hedged item	Hedge Instrument	Fair Value			Expected Cash flow Period	Hedge Period
		2020.6.30	2019.12.31	2019.6.30		
USD loans, JPY loans and HKD loans	Cross Currency Swap	\$ 675,656	465,101	239,466	2017~2022	2017~2022
USD loans, JPY loans and HKD loans	Cross Currency Swap	(84,050)	(42,730)	(21,908)	2018~2023	2018~2023
		For the three months ended June 30,		For the six months ended June 30,		
Item		2020	2019	2020	2019	
The fair value adjustment to other comprehensive income	\$	293,362	(51,697)	(209,907)	50,020	

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2. Hedge of net investment in foreign operation

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

Hedged Item	Hedge Instrument	Designated Hedging Instrument		
		Fair Value		
		2020.6.30	2019.12.31	2019.6.30
Equity investment measured in USD	Foreign currency borrowings	\$ <u>9,185,300</u>	<u>7,405,060</u>	<u>4,115,450</u>

Item	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
The fair value adjustment to other comprehensive income	\$ <u>187,060</u>	<u>(31,523)</u>	<u>134,470</u>	<u>(43,783)</u>

There were no effects of ineffectiveness recognized in profit or loss that arises from hedges of net investments in foreign operation, Golden Bridge (B.V.I.) Corp., for the six months ended June 30, 2020 and 2019.

(d) Accounts receivable, net

	2020.6.30	2019.12.31	2019.6.30
Current			
Accounts receivable	\$ 34,110,376	32,248,866	28,304,883
Less: Allowance for impairment	<u>(809,310)</u>	<u>(801,482)</u>	<u>(783,145)</u>
	<u>33,301,066</u>	<u>31,447,384</u>	<u>27,521,738</u>
Installment sales receivable	99,201,320	96,199,615	94,839,255
Less: Unearned interests	<u>(10,376,033)</u>	<u>(9,730,301)</u>	<u>(9,372,290)</u>
Allowance for impairment	<u>(2,522,872)</u>	<u>(2,455,081)</u>	<u>(3,161,401)</u>
	<u>86,302,415</u>	<u>84,014,233</u>	<u>82,305,564</u>
Leases receivable (included operating leases)	176,485,708	173,598,276	150,026,682
Less: Unearned revenue	<u>(21,546,307)</u>	<u>(21,791,362)</u>	<u>(18,301,691)</u>
Allowance for impairment	<u>(3,818,284)</u>	<u>(3,643,773)</u>	<u>(3,761,671)</u>
	<u>151,121,117</u>	<u>148,163,141</u>	<u>127,963,320</u>
Loans receivable	61,403,219	59,546,532	52,322,150
Less: Allowance for impairment	<u>(1,053,338)</u>	<u>(985,002)</u>	<u>(1,024,600)</u>
	<u>60,349,881</u>	<u>58,561,530</u>	<u>51,297,550</u>
Sub-total of current accounts	<u>331,074,479</u>	<u>322,186,288</u>	<u>289,088,172</u>

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Non Current			
Accounts receivable	18,662,093	17,171,744	13,918,271
Less: Allowance for impairment	<u>(341,046)</u>	<u>(264,062)</u>	<u>(200,769)</u>
	<u>18,321,047</u>	<u>16,907,682</u>	<u>13,717,502</u>
Installment sales receivable	55,433,136	53,784,629	47,888,547
Less: Unearned interests	<u>(6,611,152)</u>	<u>(6,541,589)</u>	<u>(5,564,723)</u>
Allowance for impairment	<u>(1,592,235)</u>	<u>(1,503,960)</u>	<u>(722,021)</u>
	<u>47,229,749</u>	<u>45,739,080</u>	<u>41,601,803</u>
Leases receivable	9,449,786	10,304,722	10,391,258
Less: Unearned revenue	<u>(927,339)</u>	<u>(1,012,452)</u>	<u>(1,074,426)</u>
Allowance for impairment	<u>(245,263)</u>	<u>(198,273)</u>	<u>(197,987)</u>
	<u>8,277,184</u>	<u>9,093,997</u>	<u>9,118,845</u>
Loans receivable	11,428,065	10,672,172	9,662,620
Less: Allowance for impairment	<u>(404,820)</u>	<u>(386,713)</u>	<u>(371,218)</u>
	<u>11,023,245</u>	<u>10,285,459</u>	<u>9,291,402</u>
Sub-total of non current accounts	<u>84,851,225</u>	<u>82,026,218</u>	<u>73,729,552</u>
Total accounts receivable	<u>\$ 415,925,704</u>	<u>404,212,506</u>	<u>362,817,724</u>

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

	<u>For the six months ended June 30,</u>	
	<u>2020</u>	<u>2019</u>
Opening balance	\$ 10,238,346	9,847,823
Impairment loss recognized	3,300,697	1,862,601
Bad debts written off	<u>(2,544,732)</u>	<u>(1,640,282)</u>
Effect of exchange rate changes	<u>(207,143)</u>	<u>152,670</u>
Ending balance	<u>\$ 10,787,168</u>	<u>10,222,812</u>

2.Receivables arising from installment sales and capital leases transactions, which were partially pledged for the repayment or collaterals of bank loans, were discussed further in Note (8).

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

	2020.6.30	2019.12.31	2019.6.30
Less than one year	\$ 96,690,408	93,847,529	85,292,637
One to two years	63,940,457	58,125,912	49,003,485
Two to three years	19,817,973	25,838,772	20,730,058
Three to four years	3,967,617	3,970,599	3,501,223
Four to five years	1,007,723	1,655,270	1,454,599
More than five years	<u>350,020</u>	<u>317,217</u>	<u>289,491</u>
Gross investment in the leases	185,774,198	183,755,299	160,271,493
Unearned revenue	<u>(22,473,646)</u>	<u>(22,803,814)</u>	<u>(19,376,117)</u>
Present value of minimum leases receivable	<u>\$ 163,300,552</u>	<u>160,951,485</u>	<u>140,895,376</u>

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

4.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
June 30, 2020			
Within operating cycle	\$ 99,201,320	(10,376,033)	88,825,287
Beyond one operating cycle to 5 years	52,972,478	(6,323,460)	46,649,018
Beyond 5 years	<u>2,460,658</u>	<u>(287,692)</u>	<u>2,172,966</u>
	<u>\$ 154,634,456</u>	<u>(16,987,185)</u>	<u>137,647,271</u>
December 31, 2019			
Within operating cycle	\$ 96,199,615	(9,730,301)	86,469,314
Beyond one operating cycle to 5 years	51,060,927	(6,200,971)	44,859,956
Beyond 5 years	<u>2,723,702</u>	<u>(340,618)</u>	<u>2,383,084</u>
	<u>\$ 149,984,244</u>	<u>(16,271,890)</u>	<u>133,712,354</u>

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	Gross investment in the installment sales	Unearned interest	Present value of installment sales receivable
June 30, 2019			
Within operating cycle	\$ 94,839,255	(9,372,290)	85,466,965
Beyond one operating cycle to 5 years	45,439,961	(5,245,301)	40,194,660
Beyond 5 years	2,448,586	(319,422)	2,129,164
	\$ 142,727,802	(14,937,013)	127,790,789

5. 2016 Securitization

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

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

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

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

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6. 2019 Securitization

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

1) The amount received from disposal of financial assets.

2) Adjusted book value of disposed financial assets.

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

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

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

(e) Other current assets

	2020.6.30	2019.12.31	2019.6.30
Prepayments	\$ 5,092,343	3,578,867	2,934,694
Prepaid expenses	2,676,831	2,444,645	1,987,402
Foreclosed assets	206,692	227,621	205,126
Others	5,885	7,778	9,948
	\$ 7,981,751	6,258,911	5,137,170

As of June 30, 2020, December 31, 2019, and June 30, 2019, foreclosed assets held by the Group were as follows:

	2020.6.30	2019.12.31	2019.6.30
Foreclosed assets	\$ 278,415	287,047	276,323
Less: Accumulated impairment	(71,723)	(59,426)	(71,197)
	\$ 206,692	227,621	205,126

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For the three months and the six months ended June 30, 2020 and 2019, the Group recognized an impairment gain of \$258, gain of \$11,093, loss of \$14,792 and gain of \$8,189, respectively, for foreclosed assets. Certain foreclosed assets were disposed to non-related parties and a disposal loss of \$59,404, \$48,503, \$102,880 and \$77,048 for the three months and the six months ended June 30, 2020 and 2019, respectively.

(f) Investments accounted under equity method

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

		<u>2020.6.30</u>	<u>2019.12.31</u>	<u>2019.6.30</u>
Investments in affiliates	\$	<u>1,786,171</u>	<u>1,786,090</u>	<u>1,575,075</u>
		<u>For the three months ended June 30,</u>	<u>For the six months ended June 30,</u>	
		<u>2020</u>	<u>2019</u>	<u>2020</u>
		<u>2019</u>	<u>2020</u>	<u>2019</u>
Comprehensive income attributable to the Group				
Gain (loss) for the period	\$	(6,820)	155,280	(49,001)
Other comprehensive income		9,455	(296)	7,727
Total comprehensive income	\$	<u>2,635</u>	<u>154,984</u>	<u>(41,274)</u>
		<u>142,021</u>		

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 six months ended June 30, 2020 and 2019, were as follows:

	<u>Land and buildings</u>	<u>Transportation equipment</u>	<u>Machinery and miscellaneous equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
Cost or deemed cost:					
Balance at January 1, 2020	\$ 2,901,960	12,977,026	26,888,279	235,263	43,002,528
Additions	1,996	2,578,363	4,307,531	8,556	6,896,446
Disposals	(7,780)	(1,593,052)	(415,079)	-	(2,015,911)
Effect of movements in exchange rate	(42,927)	(17,918)	(20,620)	6,016	(75,449)
Balance at June 30, 2020	<u>\$ 2,853,249</u>	<u>13,944,419</u>	<u>30,760,111</u>	<u>249,835</u>	<u>47,807,614</u>

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	Land and buildings	Transportation equipment	Machinery and miscellaneous equipment	Leasehold improvements	Total
Balance at January 1, 2019	\$ 2,940,418	11,878,781	1,710,588	189,261	16,719,048
Effects of retrospective application	-	-	16,568,910	-	16,568,910
Additions	-	1,873,123	4,426,421	22,147	6,321,691
Disposals	-	(1,475,505)	(153,039)	(4,398)	(1,632,942)
Effect of movements in exchange rate	24,245	19,074	13,496	703	57,518
Balance at June 30, 2019	<u>\$ 2,964,663</u>	<u>12,295,473</u>	<u>22,566,376</u>	<u>207,713</u>	<u>38,034,225</u>
Depreciation and impairment losses:					
Balance at January 1, 2020	\$ 642,249	4,926,997	2,792,858	163,501	8,525,605
Depreciation	26,380	1,154,889	599,485	11,089	1,791,843
Impairment loss	-	125,019	26,048	-	151,067
Disposals	(69)	(1,035,096)	(331,911)	-	(1,367,076)
Effect of movements in exchange rate	(7,222)	(11,904)	(15,372)	6,415	(28,083)
Balance at June 30, 2020	<u>\$ 661,338</u>	<u>5,159,905</u>	<u>3,071,108</u>	<u>181,005</u>	<u>9,073,356</u>
Balance at January 1, 2019	\$ 594,863	4,418,460	1,207,996	148,428	6,369,747
Effects of retrospective application	-	-	1,014,796	-	1,014,796
Depreciation	27,518	1,055,880	448,329	7,651	1,539,378
Impairment loss	-	112,682	30,080	-	142,762
Disposals	-	(985,211)	(31,167)	(806)	(1,017,184)
Effect of movements in exchange rate	3,428	10,433	10,146	260	24,267
Balance at June 30, 2019	<u>\$ 625,809</u>	<u>4,612,244</u>	<u>2,680,180</u>	<u>155,533</u>	<u>8,073,766</u>
Carrying amounts:					
Balance at January 1, 2020	<u>\$ 2,259,711</u>	<u>8,050,029</u>	<u>24,095,421</u>	<u>71,762</u>	<u>34,476,923</u>
Balance at June 30, 2020	<u>\$ 2,191,911</u>	<u>8,784,514</u>	<u>27,689,003</u>	<u>68,830</u>	<u>38,734,258</u>
Balance at January 1, 2019	<u>\$ 2,345,555</u>	<u>7,460,321</u>	<u>502,592</u>	<u>40,833</u>	<u>10,349,301</u>
Balance at June 30, 2019	<u>\$ 2,338,854</u>	<u>7,683,229</u>	<u>19,886,196</u>	<u>52,180</u>	<u>29,960,459</u>

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

For the impairment test of its leasing asset, management estimated the recoverable amount based on its value in use, which was determined by using the cost of capital 1.18%~5.71% and 1.18%~5.82% for the six months ended June 30, 2020 and 2019, respectively, to reflect the specific risk associated with its cash generating units.

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

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(h) Right-of-use assets

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

	Land and buildings	Transportation equipment	Total
Cost:			
Balance as of January 1, 2020	\$ 4,023,828	133,517	4,157,345
Additions	787,855	7,462	795,317
Disposal and termination of contract prior to maturity	(162,605)	(589)	(163,194)
Effect of changes in foreign exchange rates	(17,046)	(3,772)	(20,818)
Balance as of June 30, 2020	<u>\$ 4,632,032</u>	<u>136,618</u>	<u>4,768,650</u>
Balance as of January 1, 2019	\$ 2,793,602	86,122	2,879,724
Additions	903,851	25,429	929,280
Disposal and termination of contract prior to maturity	(319,776)	(2,832)	(322,608)
Effect of changes in foreign exchange rates	(586)	(899)	(1,485)
Balance as of June 30, 2019	<u>\$ 3,377,091</u>	<u>107,820</u>	<u>3,484,911</u>
Accumulated depreciation and impairment losses:			
Balance as of January 1, 2020	\$ 513,934	44,315	558,249
Depreciation	294,159	26,702	320,861
Disposal and termination of contract prior to maturity	(89,220)	(584)	(89,804)
Effect of changes in foreign exchange rates	(6,756)	(1,597)	(8,353)
Balance as of June 30, 2020	<u>\$ 712,117</u>	<u>68,836</u>	<u>780,953</u>
Balance as of January 1, 2019	\$ 728,391	-	728,391
Depreciation	230,903	21,730	252,633
Disposal and termination of contract prior to maturity	(134,624)	(1,012)	(135,636)
Effect of changes in foreign exchange rates	3,717	(171)	3,546
Balance as of June 30, 2019	<u>\$ 828,387</u>	<u>20,547</u>	<u>848,934</u>
Carrying amount:			
Balance as of January 1, 2020	<u>\$ 3,509,894</u>	<u>89,202</u>	<u>3,599,096</u>
Balance as of June 30, 2020	<u>\$ 3,919,915</u>	<u>67,782</u>	<u>3,987,697</u>
Balance as of January 1, 2019	<u>\$ 2,065,211</u>	<u>86,122</u>	<u>2,151,333</u>
Balance as of June 30, 2019	<u>\$ 2,548,704</u>	<u>87,273</u>	<u>2,635,977</u>

(i) Intangible assets

	Goodwill	Software	Total
Carrying amounts:			
Balance at January 1, 2020	\$ <u>60,701</u>	<u>14,607</u>	<u>75,308</u>
Balance at June 30, 2020	\$ <u>80,610</u>	<u>13,966</u>	<u>94,576</u>
Balance at January 1, 2019	\$ <u>61,051</u>	<u>14,695</u>	<u>75,746</u>
Balance at June 30, 2019	\$ <u>61,215</u>	<u>14,135</u>	<u>75,350</u>

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There were no significant additions, disposal, or recognition and reversal of impairment losses of intangible assets for the six months ended June 30, 2020 and 2019. Information on amortization for the period is discussed in Note (12)(b). Please refer to Note (6)(i) of the 2019 annual consolidated financial statements for other related information.

(j) Short-term notes and bills payable

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

2020.6.30			
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
Commercial paper payables	Bank	0.60%~1.10%	\$ 53,220,000
	Bills Finance Company	0.62%~1.24%	23,950,000
Less: Discount on short-term notes and bills payable			(282,412)
Total			<u><u>\$ 76,887,588</u></u>
2019.12.31			
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
Commercial paper payables	Bank	0.75%~1.17%	\$ 47,720,000
	Bills Finance Company	0.74%~1.24%	25,230,000
Less: Discount on short-term notes and bills payable			(277,636)
Total			<u><u>\$ 72,672,364</u></u>
2019.6.30			
	Guarantee or Acceptance Agency	Annual Interest Rate	Amount
Commercial paper payables	Bank	0.74%~1.15%	\$ 40,770,000
	Bills Finance Company	0.74%~1.20%	24,300,000
Less: Discount on short-term notes and bills payable			(226,065)
Total			<u><u>\$ 64,843,935</u></u>

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

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(k) Long-term and short-term borrowings

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

2020.6.30				
	Currency	Annual Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	0.95%~1.20%	2020~2025	\$ 365,000
"	USD	1.69%~3.75%	2020~2022	972,787
"	THB	1.54%~3.10%	2020~2022	11,973,710
"	CNY	4.00%~6.17%	2020~2029	50,815,386
"	VND	1.72%~5.00%	2020~2021	7,042,657
"	MYR	3.00%~4.00%	2022	2,813,500
Unsecured bank loans	TWD	0.85%~2.11%	2020~2027	94,399,444
"	USD	0.96%~5.00%	2020~2024	48,985,021
"	THB	1.33%~3.25%	2020~2023	16,037,784
"	CNY	3.48%~6.17%	2020~2023	12,388,945
"	EUR	1.23%	2020~2024	2,961,034
"	JPY	0.85%~1.06%	2020~2021	3,401,467
"	HKD	2.10%~2.76%	2020~2022	3,902,958
"	SGD	1.90%	2020	180,540
"	MYR	4.03%~4.64%	2020~2021	4,567,800
"	PHP	6.48%~8.12%	2020~2022	557,632
"	AUD	1.80%	2020	203,351
"	KHR	7.00%	2020~2021	24,633
Unsecured other loans	THB	1.60%~2.90%	2020	3,731,523
Notes payable from securitization	TWD	1.30%~2.45%	2020~2026	4,696,700
Total				<u><u>\$ 270,021,872</u></u>
Current				\$ 202,622,250
Non-current				<u>67,399,622</u>
Total				<u><u>\$ 270,021,872</u></u>

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

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2019.6.30				
	Currency	Interest Rate	Years of Maturity	Amount
Secured bank loans	TWD	1.04%	2022	\$ 360,000
"	USD	3.10%~5.75%	2019~2022	11,922,206
"	THB	2.70%~3.38%	2019~2021	7,389,318
"	CNY	4.12%~6.17%	2019~2022	10,400,521
"	VND	4.30%~5.60%	2019~2020	5,950,126
"	MYR	4.99%~5.19%	2020~2022	1,104,354
"	JPY	0.85%	2021	3,350,674
Unsecured bank loans	TWD	0.80%~2.11%	2019~2027	75,384,439
"	USD	2.99%~5.70%	2019~2022	21,052,602
"	THB	1.95%~7.13%	2019~2021	6,739,918
"	CNY	4.51%~5.70%	2019~2022	48,420,643
"	EUR	0.75%~1.25%	2019	2,158,188
"	JPY	1.10%	2019	297,204
"	HKD	3.75%	2019	47,723
"	SGD	3.45%	2019	160,791
"	MYR	4.40%~5.10%	2019~2022	4,821,624
"	PHP	4.50%	2019~2020	338,848
"	AUD	3.00%	2019	261,541
Unsecured other loans	THB	2.20%~2.25%	2019~2020	13,503,602
Notes payable from securitization	TWD	1.90%~2.45%	2019~2021	4,093,200
Total				\$ 217,757,522
Current				\$ 157,460,707
Non-current				60,296,815
Total				\$ 217,757,522

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

1. Securities for bank loans

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

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2. Financial covenants of significant loans and borrowings

- 1) The Company, entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.
- 2) A subsidiary, Chailease Finance Co., Ltd., entered into several syndicated credit agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. equity ratio, interest coverage ratio, tangible net worth, self-owned asset ratio, etc.) Otherwise, the loans are due and payable immediately.
- 3) A subsidiary, Asia Sermkij Leasing Public Co., Ltd., likewise entered into several credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.
- 4) A subsidiary, Grand Pacific Financing Corp. (California), entered into a syndicated credit agreement with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loan is due and payable immediately.
- 5) A subsidiary, Fina Finance & Trading Co., Ltd., entered into several syndicated credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. current ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.
- 6) A subsidiary, Chailease International Finance Corporation entered into several credit/loan agreements with financial institutions. Under these agreements, the Company and this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, equity ratio, interest coverage ratio, total risk assets to net assets ratio, overdue leased assets to leased assets ratio, leasing rental recovery ratio, etc.) Otherwise, the loans are due and payable immediately.
- 7) A subsidiary, Chailease Finance International Corp., entered into several credit/loan agreements with financial institutions. Under these agreements, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, risk assets to net assets ratio, etc.) Otherwise, the loans are due and payable immediately.
- 8) A subsidiary, Chailease International Corp., entered into several credit/loan agreements with financial institutions. Under these agreements, the Company shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, recovery of account receivable, etc.) Otherwise, the loans are due and payable immediately.

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- 9) A subsidiary, Chailease Consumer Finance Co., Ltd., entered into several credit/loan agreements with financial institutions, under which, this subsidiary shall maintain certain financial ratios on balance sheet date. (i.e. current ratio, interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.
- 10) A subsidiary, Chailease International Financial Services Co., Ltd., entered into several credit/loan agreements with financial institutions, under which, Chailease Finance Co., Ltd., shall maintain certain parent only financial ratios on balance sheet date. (i.e. interest coverage ratio, tangible net worth, etc.) Otherwise, the loans are due and payable immediately.
- 11) A subsidiary, Chailease Berjaya Credit Sdn Bhd., entered into several credit/loan agreements with financial institutions, under which, the Company and Chailease Berjaya Credit Sdn Bhd., shall maintain certain financial ratios on balance sheet date. (i.e. liabilities to equity ratio, etc.) Otherwise, the loans are due and payable immediately.

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

(I) Bonds payable

Period	Annual Interest Rate	Principal Amount	Repayment Terms	2020.6.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	900,000	-	None
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	"	1,350,000	-	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	1,700,000	-	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.09.26~ 2020.09.26	1.050%	3,500,000	"	3,500,000	-	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000	"	-	700,000	"
2019.05.09~ 2024.05.09	0.980%	2,950,000	"	-	2,950,000	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2020.6.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2019.05.09~ 2026.05.09	1.150%	500,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	500,000	None
2019.05.29~ 2024.05.29	0.980%	2,850,000	"	-	2,850,000	"
2020.04.22~ 2025.04.22	0.660%	3,500,000	"	-	3,500,000	"
2019.07.26~ 2022.07.26	3.150%	THB 500,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	-	482,250	"
2019.08.16~ 2022.08.16	3.150%	THB 200,000	"	-	192,900	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	106,095	-	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	1,446,750	-	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	964,500	-	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	482,250	-	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	482,250	-	"
2019.01.30~ 2021.02.05	3.000%	THB 290,000	"	279,705	-	"
2019.02.28~ 2022.01.31	3.200%	THB 100,000	"	-	96,450	"
2019.05.17~ 2022.05.17	3.150%	THB 200,000	"	-	192,900	"
2019.06.19~ 2022.06.30	3.150%	THB 270,000	"	-	260,415	"
2019.07.12~ 2021.07.23	2.950%	THB 200,000	"	-	192,900	"
2019.08.08~ 2022.08.08	3.150%	THB 800,000	"	-	771,600	"
2020.02.17~ 2023.02.17	0.000%	THB 600,000	Payable at par value	-	578,700	"
2020.03.26~ 2023.03.26	0.000%	THB 500,000	"	-	482,250	"
Bonds payable (Gross)				11,211,550	18,250,365	
Discounts on bonds payable				(530)	(80,387)	
				<u>\$ 11,211,020</u>	<u>18,169,978</u>	

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

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

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2019.6.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2014.10.30~ 2021.10.30	2.050%	900,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	-	900,000	None
2014.10.30~ 2024.10.30	2.300%	1,100,000	"	-	1,100,000	"
2015.06.29~ 2020.06.29	1.550%	3,000,000	Principal amount is payable in two equal installments at the end of the fourth and fifth year. Interest rate is fixed. Interest is payable annually.	1,500,000	-	"
2016.06.28~ 2021.06.28	1.000%	1,350,000	Payable in lump sum. Interest rate is fixed. Interest is payable annually.	1,350,000	-	"
2016.06.28~ 2023.06.28	1.250%	300,000	"	-	300,000	"
2017.05.17~ 2022.05.17	1.350%	1,700,000	"	-	1,700,000	"
2017.05.17~ 2024.05.17	1.700%	500,000	"	-	500,000	"
2017.09.26~ 2020.09.26	1.050%	3,500,000	"	3,500,000	-	"
2017.11.09~ 2022.11.09	1.100%	1,000,000	"	-	1,000,000	"
2018.09.26~ 2023.09.26	0.980%	1,600,000	"	-	1,600,000	"
2018.09.26~ 2025.09.26	1.260%	700,000	"	-	700,000	"
2019.05.09~ 2024.05.09	0.980%	THB 2,950,000	"	-	2,950,000	"
2019.05.09~ 2026.05.09	1.150%	THB 500,000	"	-	500,000	"
2019.05.29~ 2024.05.29	0.980%	THB 2,850,000	"	-	2,850,000	"
2016.07.25~ 2019.08.01	2.910%	THB 205,000	Payable in lump sum. Interest rate is fixed. Interest is payable semi-annually.	208,382	-	"
2016.07.28~ 2019.07.30	2.930%	THB 235,000	"	238,878	-	"
2016.06.28~ 2020.06.29	3.250%	THB 200,000	"	203,300	-	"

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Period	Annual Interest Rate	Principal Amount	Repayment Terms	2019.6.30		Collateral
				Within Operating Cycle	Beyond Operating Cycle	
2017.02.24~ 2020.02.28	2.950%	THB 100,000	Payable in lump sum. Interest rate is fixed. Interest is payable quarterly.	101,650	-	None
2017.04.27~ 2020.05.15	2.960%	THB 150,000	"	152,475	-	"
2017.07.07~ 2020.07.07	2.980%	THB 110,000	"	-	111,815	"
2017.08.08~ 2020.08.10	2.930%	THB 1,500,000	"	-	1,524,750	"
2018.02.15~ 2021.02.15	2.860%	THB 1,000,000	"	-	1,016,500	"
2018.03.20~ 2021.03.25	2.860%	THB 500,000	"	-	508,250	"
2018.09.13~ 2020.09.13	2.980%	THB 500,000	"	-	508,250	"
2019.01.30~ 2021.02.05	3.000%	THB 290,000	"	-	294,785	"
2019.02.28~ 2022.01.31	3.200%	THB 100,000	"	-	101,650	"
2019.05.17~ 2022.05.17	3.150%	THB 200,000	"	-	203,300	"
2019.06.19~ 2022.06.30	3.150%	THB 270,000	"	-	274,455	"
Bonds payable (Gross)				7,254,685	18,643,755	
Discounts on bonds payable				(54)	(2,623)	
				<u>\$ 7,254,631</u>	<u>18,641,132</u>	

(m) Lease liabilities

The Group's lease liability were as follows:

	2020.6.30	2019.12.31	2019.6.30
Current	<u>\$ 960,920</u>	<u>928,133</u>	<u>584,799</u>
Non-current	<u>\$ 3,064,039</u>	<u>2,668,312</u>	<u>2,075,744</u>

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

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The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2020	2020	2019
Interest on lease liabilities	\$ <u>15,276</u>	<u>12,465</u>	<u>29,372</u>	<u>22,361</u>
Variable lease payments not included in the measurement of lease liabilities	\$ <u>47,522</u>	<u>26,700</u>	<u>83,544</u>	<u>45,160</u>
Expenses relating to short-term leases	\$ <u>97,366</u>	<u>88,142</u>	<u>148,904</u>	<u>166,268</u>

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

	For the six months ended June 30,	
	2020	2019
Total cash outflow for leases	\$ <u>536,115</u>	<u>544,519</u>

1. Real estate leases

As of June 30, 2020, the Group leases land and buildings for its office and solar power station. The leases of office and solar power station typically run for two to twenty-eight years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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

2. Other leases

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

(n) Employee benefits

1. Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2019 and 2018.

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Operating expenses	\$ <u>17,466</u>	<u>41,264</u>	<u>34,923</u>	<u>58,374</u>

2. Defined contribution plans

The pension costs incurred from the contributions were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Operating costs	\$ 85	544	458	1,071
Operating expenses	<u>48,603</u>	<u>58,804</u>	<u>109,622</u>	<u>123,118</u>
Total	\$ <u>48,688</u>	<u>59,348</u>	<u>110,080</u>	<u>124,189</u>

(o) Income taxes

The components of income tax were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Total income tax expense from continuing operations	\$ <u>1,684,019</u>	<u>1,470,742</u>	<u>3,340,904</u>	<u>2,554,414</u>

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Components that may be reclassified to profit or loss:				
Foreign currency translation differences for foreign operations	\$ <u>63,292</u>	<u>56,567</u>	<u>32,456</u>	<u>41,440</u>

(p) Share capital and other equity accounts

Except for the following, there were no significant changes in capital and other equity for the six months ended June 30, 2020 and 2019. Please refer to Note (6)(q) of the 2019 annual, consolidated financial statements for other related information.

1. Share capital

As of June 30, 2020 and 2019, the Company's authorized capital consisted of 2,500,000 thousand shares and 1,500,000 thousand shares and issued shares worth \$13,813,280 and \$12,895,146, respectively, with par value of \$10 (NT dollars) per share.

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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 June 30, 2020, December 31, 2019, and June 30, 2019, the Company has listed, 154,694, 835,692 and 812,284 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:

	<u>2020.6.30</u>	<u>2019.12.31</u>	<u>2019.6.30</u>
Share capital	\$ 17,363,784	17,363,784	17,363,784
Changes in equity of associates and joint ventures accounted for using equity method	15,683	15,683	4,012
Others	573	-	-
	<u>\$ 17,380,040</u>	<u>17,379,467</u>	<u>17,367,796</u>

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3. Retained earnings

According to the Articles of Association, the Company is required to appropriate earnings every accounting year. The after-tax earnings are initially used to offset cumulative losses, and then a special reserve and preferred dividends are appropriated from the remainder. Without necessarily violating the Cayman Islands Companies Law, the Company is able to retain reasonable amount of earnings for Company development. Dividends of at least 25% of such 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 27, 2020 and May 24, 2019, the shareholders resolved to distribute the 2019 and 2018 earnings. These earnings were appropriated as follows:

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

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

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(q) Earnings per share

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Profit attributable to common stockholders of the Company	\$ <u>3,966,357</u>	<u>4,039,985</u>	<u>7,889,325</u>	<u>7,618,824</u>
Weighted average number of ordinary shares	\$ <u>1,381,328</u>	<u>1,381,328</u>	<u>1,381,328</u>	<u>1,381,328</u>
Weighted average number of ordinary shares (Diluted)	\$ <u>1,381,350</u>	<u>1,381,344</u>	<u>1,381,350</u>	<u>1,381,344</u>

Note: Potential ordinary shares have no dilutive effects.

(r) Employee and board of directors compensation

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

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

For the three months and the six months ended June 30, 2020 and 2019, the Company estimated its employees' remuneration amounting to \$596, \$607, \$1,184 and \$1,144, and directors' remuneration amounting to \$2,777, \$2,831, \$5,523 and \$5,337, respectively. These estimated amounts were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's articles. These remunerations were expensed under operating costs or operating expenses during 2020 and 2019. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For 2019 and 2018, the Company recognized employees' remuneration amounting to \$2,320 and \$2,010, and directors' remuneration amounting to \$15,389 and \$12,562, respectively. The amounts, as stated in the condensed interim consolidated financial statements, are identical to those of the actual distributions for 2019 and 2018. Related information would be available at the Market Observation Post System website.

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(s) Net other income and expenses

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Net losses on disposal of foreclosed assets	\$ (59,404)	(48,503)	(102,880)	(77,048)
Net impairment (losses) gains on foreclosed assets	258	11,093	(14,792)	8,189
Gain on doubtful debt recoveries	157,951	159,102	283,653	290,975
Effect of changes in lease contract	68	531	(340)	531
Others	3	-	3	-
	\$ 98,876	122,223	165,644	222,647

(t) Other gains and losses

The components of other gains and losses were as follows:

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Interest on lease liabilities	\$ (15,276)	(12,465)	(29,372)	(22,361)
Net foreign exchange (losses) gains	(102,772)	14,836	(89,850)	10,535
Net (losses) gains on disposal of property, plant and equipment	(2,082)	(1,042)	(1,373)	(955)
Net (losses) gains on valuation of financial assets measured at fair value through profit or loss	10,546	523	(52,224)	6,432
Others	133,447	341,456	539,779	541,305
	\$ 23,863	343,308	366,960	534,956

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(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 June 30, 2020, December 31, 2019, and June 30, 2019, the maximum exposure to credit risks amounted to \$480,152,380, \$455,998,780 and \$407,943,902, respectively.

The non-performing loans (net of allowance for doubtful accounts) amounted to \$88,505, \$107,118 and \$89,269 as of June 30, 2020, December 31, 2019, and June 30, 2019, respectively.

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

	<u>Taiwan</u>	<u>China</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
June 30, 2020					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 203,085,850	143,581,489	38,675,777	1,658,148	387,001,264
Lifetime ECL	451,675	622,609	18,907,248	2,757,766	22,739,298
Past due or monitored					
Lifetime ECL	1,041,540	17,113	3,013,768	208,431	4,280,852
Impaired					
Lifetime ECL	<u>6,040,925</u>	<u>3,529,647</u>	<u>2,996,396</u>	<u>-</u>	<u>12,566,968</u>
Gross carrying amounts	<u>\$ 210,619,990</u>	<u>147,750,858</u>	<u>63,593,189</u>	<u>4,624,345</u>	<u>426,588,382</u>
Allowance for losses	<u>4,328,889</u>	<u>3,847,262</u>	<u>2,432,456</u>	<u>142,576</u>	<u>10,751,183</u>
Carrying amount	<u>\$ 206,291,101</u>	<u>143,903,596</u>	<u>61,160,733</u>	<u>4,481,769</u>	<u>415,837,199</u>

Taiwan

	<u>For the six months ended June 30, 2020</u>			
	<u>12-month</u>	<u>Lifetime ECL-</u>	<u>Lifetime ECL-</u>	<u>Total</u>
	<u>ECL</u>	<u>not credit</u>	<u>credit impaired</u>	
	<u>ECL</u>	<u>impaired</u>	<u>impaired</u>	
Balance at January 1, 2020	\$ 1,752,730	42,829	2,271,108	4,066,667
Impairment loss recognized	206,739	10,215	1,163,570	1,380,524
Bad debts written-off	(9,266)	-	(1,103,991)	(1,113,257)
Others	<u>(1,768)</u>	<u>(113)</u>	<u>(3,164)</u>	<u>(5,045)</u>
Balance at June 30, 2020	<u>\$ 1,948,435</u>	<u>52,931</u>	<u>2,327,523</u>	<u>4,328,889</u>

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China

	For the six months ended June 30, 2020			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2020	\$ 2,391,671	7,418	1,332,790	3,731,879
Impairment loss (profit) recognized	1,605,828	(3,481)	(230,423)	1,371,924
Transfer to lifetime ECL-not credit impaired	(12,213)	12,213	-	-
Transfer to lifetime ECL- credit impaired	(1,587,637)	-	1,587,637	-
Bad debts written-off	-	-	(1,154,252)	(1,154,252)
Others	(63,429)	(335)	(38,525)	(102,289)
Balance at June 30, 2020	<u>\$ 2,334,220</u>	<u>15,815</u>	<u>1,497,227</u>	<u>3,847,262</u>

ASEAN

	For the six months ended June 30, 2020			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2020	\$ 224,911	538,921	1,489,476	2,253,308
Impairment loss recognized	271,881	2,973	267,153	542,007
Transfer to lifetime ECL-not credit impaired	(90,970)	90,970	-	-
Transfer to lifetime ECL- credit impaired	(53,685)	(76,239)	129,924	-
Bad debts written-off	-	(274)	(264,463)	(264,737)
Others	(8,706)	(25,392)	(64,024)	(98,122)
Balance at June 30, 2020	<u>\$ 343,431</u>	<u>530,959</u>	<u>1,558,066</u>	<u>2,432,456</u>

Others

	For the six months ended June 30, 2020			
	12-month ECL	Lifetime ECL- not credit impaired	Lifetime ECL- credit impaired	Total
Balance at January 1, 2020	\$ -	141,263	-	141,263
Impairment loss recognized	-	2,828	-	2,828
Others	-	(1,515)	-	(1,515)
Balance at June 30, 2020	<u>\$ -</u>	<u>142,576</u>	<u>-</u>	<u>142,576</u>

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	<u>Taiwan</u>	<u>China</u>	<u>ASEAN</u>	<u>Others</u>	<u>Total</u>
December 31, 2019					
Gross loans and receivables:					
Neither past due nor impaired					
12-month ECL	\$ 194,185,146	143,306,415	37,977,656	1,817,345	377,286,562
Lifetime ECL	-	255,496	19,282,470	2,507,144	22,045,110
Past due or monitored					
Lifetime ECL	472,366	32,478	3,494,509	204,588	4,203,941
Impaired					
Lifetime ECL	<u>5,366,842</u>	<u>2,756,480</u>	<u>2,639,570</u>	<u>-</u>	<u>10,762,892</u>
Gross carrying amounts	<u>\$ 200,024,354</u>	<u>146,350,869</u>	<u>63,394,205</u>	<u>4,529,077</u>	<u>414,298,505</u>
Allowance for losses	<u>4,066,667</u>	<u>3,731,879</u>	<u>2,253,308</u>	<u>141,263</u>	<u>10,193,117</u>
Carrying amount	<u>\$ 195,957,687</u>	<u>142,618,990</u>	<u>61,140,897</u>	<u>4,387,814</u>	<u>404,105,388</u>

Taiwan

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

China

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

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ASEAN

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

Others

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

June 30, 2019

Gross loans and receivables:

	Taiwan	China	ASEAN	Others	Total
Neither past due nor impaired					
12-month ECL	\$ 177,498,108	124,868,754	35,711,511	1,380,090	339,458,463
Lifetime ECL	-	262,784	15,932,546	2,751,101	18,946,431
Past due or monitored					
Lifetime ECL	610,696	30,177	3,266,271	203,108	4,110,252
Impaired					
Lifetime ECL	5,624,569	2,500,304	2,244,797	-	10,369,670
Gross carrying amounts	<u>\$ 183,733,373</u>	<u>127,662,019</u>	<u>57,155,125</u>	<u>4,334,299</u>	<u>372,884,816</u>
Allowance for losses	3,998,579	3,982,848	2,005,070	169,864	10,156,361
Carrying amount	<u>\$ 179,734,794</u>	<u>123,679,171</u>	<u>55,150,055</u>	<u>4,164,435</u>	<u>362,728,455</u>

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Taiwan

	For the six months ended June 30, 2019			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2019	\$ 1,520,799	46,825	2,207,602	3,775,226
Impairment loss recognized	87,646	687	942,129	1,030,462
Bad debts written-off	-	-	(811,972)	(811,972)
Others	1,629	-	3,234	4,863
Balance at June 30, 2019	\$ <u>1,610,074</u>	<u>47,512</u>	<u>2,340,993</u>	<u>3,998,579</u>

China

	For the six months ended June 30, 2019			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2019	\$ 2,366,636	10,518	1,794,930	4,172,084
Impairment loss (profit) recognized	1,693,702	98,911	(1,302,432)	490,181
Transfer to lifetime ECL-not credit impaired	(66,333)	66,333	-	-
Transfer to lifetime ECL- credit impaired	(1,632,844)	(171,650)	1,804,494	-
Bad debts written-off	-	-	(727,091)	(727,091)
Others	25,977	169	21,528	47,674
Balance at June 30, 2019	\$ <u>2,387,138</u>	<u>4,281</u>	<u>1,591,429</u>	<u>3,982,848</u>

ASEAN

	For the six months ended June 30, 2019			
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	Total
Balance at January 1, 2019	\$ 188,884	378,709	1,060,757	1,628,350
Impairment loss recognized	234,008	16,370	129,923	380,301
Transfer to lifetime ECL-not credit impaired	(156,416)	156,416	-	-
Transfer to lifetime ECL- credit impaired	(64,839)	(63,486)	128,325	-
Bad debts written-off	-	(878)	(100,508)	(101,386)
Others	12,955	16,395	68,455	97,805
Balance at June 30, 2019	\$ <u>214,592</u>	<u>503,526</u>	<u>1,286,952</u>	<u>2,005,070</u>

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Others

	For the six months ended June 30, 2019			Total
	12-month ECL	Lifetime ECL- not credit- impaired	Lifetime ECL- credit-impaired	
Balance at January 1, 2019	\$ -	218,295	183	218,478
Impairment profit recognized	-	(50,942)	(168)	(51,110)
Impairment written-off	-	-	(18)	(18)
Others	-	2,511	3	2,514
Balance at June 30, 2019	<u>\$ -</u>	<u>169,864</u>	<u>-</u>	<u>169,864</u>

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

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

3) Loans and receivables which were past due or monitored

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

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

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

	2020.6.30	2019.12.31	2019.6.30
Past due up to 30 days	\$ 693,222	511,478	798,247
Past due from 31 to 90 days	3,160,094	3,494,301	3,020,550
Past due from 91 to 180 days	347,609	43,852	24,644
Past due over 180 days	79,927	154,310	266,811
	<u>\$ 4,280,852</u>	<u>4,203,941</u>	<u>4,110,252</u>

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4) Impaired loans and receivables

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

2. Liquidity risks

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>On demand</u>
June 30, 2020								
Non-derivative financial liabilities								
Secured bank loans	\$ 73,983,040	76,982,248	5,560,592	9,407,274	33,103,436	28,709,797	201,149	-
Unsecured bank and other loans	191,342,132	195,166,178	24,921,292	18,344,920	38,844,271	112,829,226	226,469	-
Notes payable from securitization	4,696,700	5,009,286	6,697	11,199	50,396	712,880	4,228,114	-
Short-term notes and bills payable	76,887,588	77,170,000	10,200,000	12,550,000	54,420,000	-	-	-
Bonds payables	29,380,998	30,499,543	115,684	5,541,005	3,321,033	20,307,251	1,214,570	-
Other payables	19,156,061	19,165,366	13,463,235	578,076	1,840,321	851,865	-	2,431,869
Deposits relating to collateral of customers	47,960,833	47,983,011	253,819	785,566	8,343,653	37,475,083	52,613	1,072,277
Lease liabilities	4,024,959	4,664,325	60,242	115,954	480,295	1,198,648	2,809,186	-
Derivative financial liabilities								
Current financial liabilities for hedging	84,050	84,050	-	-	84,050	-	-	-
	<u>\$ 447,516,361</u>	<u>456,724,007</u>	<u>54,581,561</u>	<u>47,333,994</u>	<u>140,487,455</u>	<u>202,084,750</u>	<u>8,732,101</u>	<u>3,504,146</u>
December 31, 2019								
Non-derivative financial liabilities								
Secured bank loans	\$ 53,619,669	56,895,628	3,433,788	3,818,738	24,878,537	24,533,939	230,626	-
Unsecured bank and other loans	192,033,196	197,682,870	36,541,365	20,142,859	43,338,708	97,415,547	244,391	-
Notes payable from securitization	6,508,569	6,755,229	9,546	16,937	76,215	6,652,531	-	-
Short-term notes and bills payable	72,672,364	72,950,000	9,330,000	15,350,000	48,270,000	-	-	-
Bonds payables	27,131,853	28,287,530	11,745	143,841	7,854,925	19,056,699	1,220,320	-
Other payables	15,944,274	16,028,277	10,213,736	1,387,720	1,238,144	823,304	-	2,365,373
Deposits relating to collateral of customers	46,256,803	46,304,547	267,795	700,136	7,718,158	36,506,776	120,867	990,815
Lease liabilities	3,596,445	4,091,394	56,258	111,075	458,838	1,191,171	2,274,052	-
Derivative financial liabilities								
Current financial liabilities for hedging	42,730	42,730	-	-	42,730	-	-	-
	<u>\$ 417,805,903</u>	<u>429,038,205</u>	<u>59,864,233</u>	<u>41,671,306</u>	<u>133,876,255</u>	<u>186,179,967</u>	<u>4,090,256</u>	<u>3,356,188</u>

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	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Less than 1 month</u>	<u>1 to 3 months</u>	<u>3 months to 1 year</u>	<u>1 to 5 years</u>	<u>More than 5 years</u>	<u>On demand</u>
June 30, 2019								
Non-derivative financial liabilities								
Bank overdraft	\$ 17,243	17,243	-	-	-	-	-	17,243
Secured bank loans	40,477,199	42,493,624	3,589,018	4,102,570	11,622,346	23,179,690	-	-
Unsecured bank and other loans	173,169,880	178,350,017	27,583,811	23,959,138	40,229,663	86,314,757	262,648	-
Notes payable from securitization	4,093,200	4,285,708	6,638	13,276	59,744	4,206,050	-	-
Short-term notes and bills payable	64,843,935	65,070,000	11,300,000	16,670,000	37,100,000	-	-	-
Bonds payables	25,895,763	27,103,483	244,287	306,390	2,258,866	21,939,500	2,354,440	-
Other payables	16,854,347	16,892,472	6,807,838	5,867,619	1,333,046	792,350	-	2,091,619
Deposits relating to collateral of customers	41,999,187	42,027,991	294,135	795,868	7,200,002	32,933,643	3,765	800,578
Lease liabilities	2,660,543	3,005,158	33,345	62,040	273,711	614,201	2,021,861	-
Derivative financial liabilities								
Current financial liabilities for hedging	21,908	21,908	-	-	-	21,908	-	-
	<u>\$ 370,033,205</u>	<u>379,267,604</u>	<u>49,859,072</u>	<u>51,776,901</u>	<u>100,077,378</u>	<u>170,002,099</u>	<u>4,642,714</u>	<u>2,909,440</u>

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

3.Currency risks

1) Exposure to currency risks

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

	2020.6.30			
	<u>Foreign currency (In thousands)</u>	<u>Exchange rate</u>	<u>Functional currency</u>	
Financial assets				
Monetary items				
USD	\$ 151,376.16	USD : TWD 29.6300		4,484,713
	59,449.10	USD : GBP 0.8133		1,761,477
	4,439.71	USD : VND 25,765		131,549
JPY	610,296.74	JPY : USD 0.0093		167,893
EUR	79,365.44	EUR : USD 1.1228		2,640,488
HKD	48,404.03	HKD : USD 0.1290		185,049
AUD	10,291.45	AUD : USD 0.6863		209,277
SGD	6,742.17	SGD : USD 0.7168		143,204

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		2020.6.30		
	Foreign currency (In thousands)		Exchange rate	Functional currency
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	4,206.14	USD : VND	25,765	124,628
	59,449.10	USD : GBP	0.8133	1,761,477
JPY	700,000.00	JPY : USD	0.0093	192,476
EUR	89,000.00	EUR : USD	1.1228	2,961,034
HKD	23,000.00	HKD : USD	0.1290	87,926
AUD	10,000.00	AUD : USD	0.6863	203,351
SGD	6,500.00	SGD : USD	0.7168	138,060
		2019.12.31		
	Foreign currency (In thousands)		Exchange rate	Functional currency
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$ 149,319.02	USD : TWD	29.9800	4,476,584
	61,944.36	USD : GBP	0.7617	1,857,092
	4,909.59	USD : VND	25,624	147,189
JPY	921,153.18	JPY : USD	0.0092	254,238
EUR	93,501.35	EUR : USD	1.1204	3,140,710
HKD	54,726.64	HKD : USD	0.1284	210,643
AUD	11,672.04	AUD : USD	0.7006	245,171
SGD	7,457.69	SGD : USD	0.7432	166,157
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD	456.94	USD : TWD	29.9800	13,699
	4,126.55	USD : VND	25,624	123,714
	61,944.36	USD : GBP	0.7617	1,857,092
JPY	700,000.00	JPY : USD	0.0092	193,281
EUR	79,000.00	EUR : USD	1.1204	2,653,601
HKD	28,000.00	HKD : USD	0.1284	107,776
AUD	11,000.00	AUD : USD	0.7006	231,054
SGD	7,000.00	SGD : USD	0.7432	155,960

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		2019.6.30		
		Foreign currency (In thousands)	Exchange rate	Functional currency
<u>Financial assets</u>				
<u>Monetary items</u>				
USD	\$	8,301.54	USD : TWD 31.0600	257,846
		1,955.71	USD : GBP 0.7885	60,744
		5,769.27	USD : VND 25,699	179,193
JPY		1,223,063.37	JPY : USD 0.0093	352,976
EUR		66,633.15	EUR : USD 1.1391	2,357,481
HKD		13,712.52	HKD : USD 0.0128	54,535
AUD		12,434.78	AUD : USD 0.7017	271,016
SGD		7,228.41	SGD : USD 0.7395	166,037
<u>Financial liabilities</u>				
<u>Monetary items</u>				
USD		4,011.15	USD : VND 25,669	124,586
		1,955.71	USD : GBP 0.7885	60,744
JPY		1,030,000.00	JPY : USD 0.0093	297,204
EUR		61,000.00	EUR : USD 1.1391	2,158,188
HKD		12,000.00	HKD : USD 0.1280	47,723
AUD		12,000.00	AUD : USD 0.7017	261,541
SGD		7,000.00	SGD : USD 0.7395	160,791

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 \$313,062 and \$18,249, for the six months ended June 30, 2020 and 2019, respectively. The analysis is performed on the same basis for both years.

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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 six months ended June 30, 2020 and 2019, the foreign currency gain (loss), including realized and unrealized, amounted to \$(89,850) and \$10,535, respectively.

4. Interest analysis

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

Ending balance as of June 30, 2020	Effective interest rate	Fixed rate					Non-interest bearing
		Total	Floating rate	Within 1 year	1~5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.95 %	\$ 29,534,501	22,052,773	4,410,656	-	-	3,071,072
Debt securities	5.20 %	15,841,614	-	5,226,688	10,614,926	-	-
Non-hedging derivatives	3.59 %	316,940	-	146,352	170,588	-	-
Total accounts receivables	9.48 %	426,712,872	42,905,096	191,218,459	182,480,690	2,177,062	7,931,565
Current financial assets for hedging	2.54 %	675,656	-	675,656	-	-	-
		473,081,583	64,957,869	201,677,811	193,266,204	2,177,062	11,002,637
Financial liabilities							
Secured bank loans	4.47 %	73,983,040	61,900,244	7,212,213	4,870,583	-	-
Unsecured bank and other loans	2.35 %	191,342,132	111,760,745	35,410,491	43,953,813	217,083	-
Short-term notes and bills payable	0.85 %	76,887,588	10,183,581	66,704,007	-	-	-
Bonds payables	1.57 %	29,380,998	-	8,611,020	19,569,978	1,200,000	-
Current financial liabilities for hedging	2.55 %	84,050	-	84,050	-	-	-
Notes payable from securitization	1.90 %	4,696,700	-	57,485	699,125	3,940,090	-
Deposits relating to collateral of customers	0.08 %	47,960,833	-	3,574,077	7,100,036	52,134	37,234,586
Lease liabilities	1.51 %	4,024,959	-	596,051	1,078,213	2,350,695	-
		428,360,300	183,844,570	122,249,394	77,271,748	7,760,002	37,234,586
Net exposure		\$ 44,721,283	(118,886,701)	79,428,417	115,994,456	(5,582,940)	(26,231,949)

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Ending balance as of December 31, 2019	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1~5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.73 %	\$ 18,660,546	14,277,910	2,997,086	-	-	1,385,550
Debt securities	5.49 %	13,637,554	-	4,413,483	9,224,071	-	-
Total accounts receivables	9.85 %	414,450,852	42,569,947	186,303,211	176,278,615	2,610,878	6,688,201
Current financial assets for hedging	1.64 %	465,101	-	465,101	-	-	-
		447,214,053	56,847,857	194,178,881	185,502,686	2,610,878	8,073,751
Financial liabilities							
Secured bank loans	4.79 %	53,619,669	46,583,202	4,746,060	2,290,407	-	-
Unsecured bank and other loans	2.90 %	192,033,196	122,767,781	36,940,768	32,092,564	232,083	-
Short-term notes and bills payable	0.90 %	72,672,364	13,504,169	59,168,195	-	-	-
Bonds payables	1.67 %	27,131,853	-	7,584,529	18,347,324	1,200,000	-
Current financial liabilities for hedging	1.62 %	42,730	-	42,730	-	-	-
Notes payable from securitization	1.92 %	6,508,569	-	2,589,401	3,828,165	91,003	-
Deposits relating to collateral of customers	0.12 %	46,256,803	-	4,976,114	7,299,084	1,813	33,979,792
Lease liabilities	1.69 %	3,596,445	-	550,122	1,075,126	1,971,197	-
		401,861,629	182,855,152	116,597,919	64,932,670	3,496,096	33,979,792
Net exposure		\$ 45,352,424	(126,007,295)	77,580,962	120,570,016	(885,218)	(25,906,041)
Ending balance as of June 30, 2019	Effective interest rate	Total	Floating rate	Fixed rate			Non-interest bearing
				Within 1 year	1~5 years	More than 5 years	
Financial assets							
Cash and cash equivalents	0.67 %	\$ 18,484,906	14,188,877	2,431,590	-	-	1,864,439
Debt securities	5.45 %	10,891,142	-	5,633,609	5,257,533	-	-
Total accounts receivables	9.66 %	373,040,536	40,290,954	167,986,423	156,365,387	1,919,348	6,478,424
Current financial assets for hedging	1.73 %	239,466	-	239,466	-	-	-
		402,656,050	54,479,831	176,291,088	161,622,920	1,919,348	8,342,863
Financial liabilities							
Secured bank loans	4.62 %	40,477,199	33,031,923	3,290,837	4,154,439	-	-
Unsecured bank and other loans	3.01 %	173,169,880	115,535,644	33,042,748	24,344,405	247,083	-
Bank overdraft	7.13 %	17,243	17,243	-	-	-	-
Short-term notes and bills payable	0.92 %	64,843,935	17,775,502	47,068,433	-	-	-
Bonds payables	1.60 %	25,895,763	-	2,404,631	21,191,132	2,300,000	-
Current financial liabilities for hedging	0.40 %	21,908	-	-	21,908	-	-
Notes payable from securitization	1.95 %	4,093,200	-	-	4,093,200	-	-
Deposits relating to collateral of customers	0.13 %	41,999,187	-	4,185,334	7,274,495	1,263	30,538,095
Lease liabilities	1.97 %	2,660,543	-	280,926	577,321	1,802,296	-
		353,178,858	166,360,312	90,272,909	61,656,900	4,350,642	30,538,095
Net exposure		\$ 49,477,192	(111,880,481)	86,018,179	99,966,020	(2,431,294)	(22,195,232)

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

If the interest rate increases or decreases by 0.25%, the Group's profit will decrease or increase by \$200,590 and \$188,334 for the six months ended June 30, 2020 and 2019, respectively. This analysis assumes that all other variables remain constant.

5. Sensitivity analysis — equity price risk :

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

	For the six months ended June 30,			
	2020		2019	
	After-tax other comprehensive income	After-tax profit (loss)	After-tax other comprehensive income	After-tax profit (loss)
Equity price at reporting date				
Increase 7%	\$ <u>58,732</u>	<u>32,854</u>	<u>67,123</u>	<u>17,170</u>
Decrease 7%	\$ <u>(58,732)</u>	<u>(32,854)</u>	<u>(67,123)</u>	<u>(17,170)</u>

6. Fair value information

1) The Categories and Fair Values of Financial Instruments

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

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	June 30, 2020				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 566,632	151,922	-	414,710	566,632
Financial assets for hedging	675,656	-	675,656	-	675,656
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	719,937	716,856	3,081	-	719,937
Measure the fair value of unquoted equity instruments	118,189	-	-	118,189	118,189
Sub-total	838,126	716,856	3,081	118,189	838,126
Financial assets at amortized cost	15,764,100	-	-	-	-
Loans and receivable					
Cash and cash equivalents	29,534,501	-	-	-	-
Accounts receivable	415,925,704	-	-	-	-
Other financial assets	2,414,455	-	-	-	-
Refundable deposits	475,418	-	-	-	-
Restricted bank deposits	5,390,312	-	-	-	-
Sub-total	453,740,390	-	-	-	-
Total	\$ 471,584,904	868,778	678,737	532,899	2,080,414
Financial liabilities for hedging	\$ 84,050	-	84,050	-	84,050
Measurement of financial liabilities at amortized cost					
Secured bank loans	73,983,040	-	-	-	-
Unsecured bank and other loans	191,342,132	-	-	-	-
Notes payable from securitization	4,696,700	-	-	-	-
Short-term notes and bills payable	76,887,588	-	-	-	-
Bonds payables	29,380,998	-	-	-	-
Other payables	19,156,061	-	-	-	-
Deposits relating to collateral of customers	47,960,833	-	-	-	-
Lease liabilities	4,024,959	-	-	-	-
Sub-total	447,432,311	-	-	-	-
Total	\$ 447,516,361	-	84,050	-	84,050

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

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	June 30, 2019				
	Book value	Fair value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Financial assets at fair value through profit or loss, mandatorily measured at fair value	\$ 896,682	174,025	-	722,657	896,682
Financial assets for hedging	239,466	-	239,466	-	239,466
Financial assets at fair value through other comprehensive income					
Domestic and foreign market (OTC) equity securities	852,708	849,167	3,541	-	852,708
Measure the fair value of unquoted equity instruments	105,244	-	-	105,244	105,244
Sub-total	957,952	849,167	3,541	105,244	957,952
Financial assets at amortized cost	10,820,356	-	-	-	-
Loans and receivable					
Cash and cash equivalents	18,484,906	-	-	-	-
Accounts receivable	362,817,724	-	-	-	-
Other financial assets	1,950,008	-	-	-	-
Refundable deposits	307,392	-	-	-	-
Restricted bank deposits	3,050,432	-	-	-	-
Sub-total	386,610,462	-	-	-	-
Total	\$ 399,524,918	1,023,192	243,007	827,901	2,094,100
Financial liabilities for hedging	\$ 21,098	-	21,098	-	21,098
Measurement of financial liabilities at amortized cost					
Bank overdraft	17,243	-	-	-	-
Secured bank loans	40,477,199	-	-	-	-
Unsecured bank and other loans	173,169,880	-	-	-	-
Notes payable from securitization	4,093,200	-	-	-	-
Short-term notes and bills payable	64,843,935	-	-	-	-
Bonds payables	25,895,763	-	-	-	-
Other payables	16,854,347	-	-	-	-
Deposits relating to collateral of customers	41,999,187	-	-	-	-
Lease liabilities	2,660,543	-	-	-	-
Sub-total	370,011,297	-	-	-	-
Total	\$ 370,032,395	-	21,098	-	21,098

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

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

A. Financial assets at amortized cost

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

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

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

3) Valuation Techniques for Financial Instruments Measured at Fair Value

A. Non-derivative Financial Instruments

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

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

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

B. Derivative Financial Instruments

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

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

	<u>At fair value through profit or loss</u>	<u>At fair value through others comprehensive income</u>	
	<u>Non-derivative financial assets</u>	<u>Unquoted equity instruments</u>	<u>Total</u>
Opening balance, January 1, 2020	\$ 88,399	121,029	209,428
Total gains and losses recognized:			
In profit or loss	2,990	-	2,990
In other comprehensive income	-	(2,190)	(2,190)
Purchase	329,700	-	329,700
Disposal	(5,223)	-	(5,223)
Effect of movements in exchange rate	(1,156)	(650)	(1,806)
Ending balance, June 30, 2020	<u>\$ 414,710</u>	<u>118,189</u>	<u>532,899</u>

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	At fair value through profit or loss Non-derivative financial assets	At fair value through others comprehensive income Unquoted equity instruments	Total
Opening balance, January 1, 2019	\$ 750,336	105,466	855,802
Total gains and losses recognized:			
In profit or loss	8,645	-	8,645
In other comprehensive income	-	(1,043)	(1,043)
Purchase	61,968	-	61,968
Disposal / Liquidate	(106,626)	-	(106,626)
Effect of movements in exchange rate	8,334	821	9,155
Ending balance, June 30, 2019	<u>\$ 722,657</u>	<u>105,244</u>	<u>827,901</u>

For the six months ended June 30, 2020 and 2019, total gains and losses arising from the valuation of investments under Level 3 of the fair value hierarchy that were included in “other gains and losses” and “unrealized gains and losses from financial assets measured at fair value through other comprehensive” were as follows:

	For the three months ended June 30, 2020	2019	For the six months ended June 30, 2020	2019
Total gains and losses recognized :				
In profit or loss, and presented in “other gains and losses”	\$ 2,631	8,645	2,990	8,645
In other comprehensive income, and presented in “unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income”	(572)	(1,199)	(2,190)	(1,043)

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

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

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Quantified information of significant unobservable inputs as follows:

<u>Item</u>	<u>Valuation Technique</u>	<u>Significant Non-observable Input</u>	<u>The Relationship between Significant Non-observable Input and Fair Value</u>
Financial assets at fair value through other comprehensive income - investments in equity instruments without active market	Net Asset Value Method	Net Asset Value	Not applicable
Financial assets at fair value through profit or loss without active market	Black-Scholes Model	Stock Return Volatility (2.96%~4.85% on June 30, 2020)	The higher stock return volatility, the higher the fair value
"	Discounted Cash Flow Method	Discount Rate (0.77%~4.39% on June 30, 2020)	The higher the discount rate, the lower the fair value

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

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

			Impact or Fair Value Change on Net income or loss	
	Input	Variation	Favorable Change	Unfavorable Change
June 30, 2020				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 44	(44)
"	Stock Return Volatility	10%	-	-
December 31, 2019				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 234	(234)
"	Stock Return Volatility	10%	-	-
June 30, 2019				
Financial asset at fair value through profit or loss				
Financial instruments without active market	Discount Rate	10%	\$ 125	(125)
"	Stock Return Volatility	10%	-	-

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

(v) Financial risk management

There were no significant changes in the Group's financial risk management and policies as disclosed in Note (6)(x) of the consolidated financial statements for the year ended December 31, 2019.

(w) Capital Management

Management believes that the objectives, policies and processes of capital management of the Group has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2019. Also, management believes that there were no significant changes in the Group's capital management information as disclosed for the year ended December 31, 2019. Please refer to Note (6)(y) of the consolidated financial statements for the year ended December 31, 2019 for further details.

(7) Related Party Transactions

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

(b) Names and relationship of related parties

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

<u>Name of related parties</u>	<u>Relationship with the Group</u>
Chung Hung Corp.	Affiliate
DMC Energy Management Services (Shenzhen) Co., Ltd.	"
C&E Engine Leasing Limited	"
CL Investment Partners Company Limited	"
Grand Pacific Investment & Development Co., Ltd.	Other related party
Chailease Construction & Development Corp.	"
Chaico Investment Corporation	"
Yellowstone Security Co., Ltd.	"
Yellowstone Service Co., Ltd.	"
Chailease Resources Technology Co., Ltd.	"
CITC Enterprise (Thai) Co., Ltd.	"
Chailease Business Co., Ltd.	"

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Name of related parties	Relationship with the Group
Yellowstone Interior Design Company Limited (Former name: Bosser Design Engineering Co., Ltd.)	Other related party
Global Hospitality Group Inc.	"
Global Property Management Co., Ltd.	"
Chailease Youngster Foundation	"
Advance Rental Care Co., Ltd.	"
Qin An Investment Consulting (Shanghai) Co., Ltd.	"
Shanghai Jiasheng Decoration Engineering Co., Ltd.	"
Yujia Investment Management Consulting (Shanghai) Co., Ltd.	"
Anywhere 2 Go Company Limited	"
Bangkok Bank Public Company Limited	"
Bangkok Granden Property Fund	"
Bangkok Insurance Public Company Limited	"
Enrich Management Consultants Ltd.	"
Grand Pacific Finance Corp. (N.Y.)	"
Sathorn City Tower Property Fund	"
Chailease Enterprise Co., Ltd.	"
Chailease Biofund Company Limited	"
Chun An Investment Co., Ltd.	"
Chun An Technology Co., Ltd.	"
Li Cheng Investment Co., Ltd.	"
Jen Chung Co., Ltd.	"
Ezfund Securities Investment Consulting Enterprise Ltd.	"
Shenyang Putai Hemodialysis Center Co., Ltd.	"
Qiqihar Zhongtai Nephrotic Hospital Co., Ltd.	"
Tonghua Zhongyi Hemodialysis Co., Ltd.	"

(c) Related-party transactions

1. Operating revenue

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

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Affiliates	\$ -	34	-	34
Other related parties	7,595	3,962	12,075	7,346
	<u>\$ 7,595</u>	<u>3,996</u>	<u>12,075</u>	<u>7,380</u>

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2.Receivables from related parties

Receivables of the Group from related parties were as follows :

Account	Categories of related parties	2020.6.30	2019.12.31	2019.6.30
Capital leases receivable	Other related parties	\$ 72,339	43,883	54,608
Other receivables	Other related parties	779	19,288	344
Other current financial assets	Other related parties	-	-	1,017
Other non-current financial assets	Other related parties	3,234	2,020	-
		<u>\$ 76,352</u>	<u>65,191</u>	<u>55,969</u>

3.Payable to related parties

Payable to related parties were as follows :

Account	Categories of related parties	2020.6.30	2019.12.31	2019.6.30
Account payable	Other related parties	\$ 7,314	865	-
Other current financial liabilities	Other related parties	1,129	2,153	2,245
		<u>\$ 8,443</u>	<u>3,018</u>	<u>2,245</u>

4.Asset transactions

The Group purchased leasehold improvements from other related parties amounting to \$431 and \$29,753 for the six months ended June 30, 2020 and 2019, respectively.

5.Related-Party Financing

Financing to affiliates and related parties was as follows :

	2020.6.30	2019.12.31	2019.6.30
Affiliates	\$ 1,658,148	1,817,346	1,380,090
Other related parties	3,050	30,426	25,627
	<u>\$ 1,661,198</u>	<u>1,847,772</u>	<u>1,405,717</u>

The loans receivable from affiliates bear interest at rates ranging from 2.12% to 5.65%. As of June 30, 2020, December 31, 2019, and June 30, 2019, interest receivable from the loans receivable from affiliates amounted to \$14,403, \$14,654 and \$10,172, respectively. For the three months and the six months ended June 30, 2020 and 2019, interest revenue from the loans receivable from affiliates amounted to \$18,901, \$16,311, \$40,871 and \$32,599, respectively.

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The loans receivable from other related parties bear interest at rates ranging from 5.53% to 10.00%. As of June 30, 2020, December 31, 2019, and June 30, 2019, interest receivable from the loans receivable from other related parties amounted to \$10, \$124 and \$62, respectively. For the three months and the six months ended June 30, 2020 and 2019, interest revenue from the loans receivable from other related parties amounted to \$102, \$373, \$444 and \$526, respectively.

6. Interest bearing borrowings

Borrowings of the Group from related parties were as follows :

	<u>2020.6.30</u>	<u>2019.12.31</u>	<u>2019.6.30</u>
Other related parties	<u>\$ 5,111,850</u>	<u>4,402,728</u>	<u>3,879,943</u>

The borrowings from other related parties bear interest at rates ranging from 3.25%. As of June 30, 2020, December 31, 2019, and June 30, 2019, interest payable from the interest bearing borrowings from other related parties amounted to \$2,757, \$404 and \$334, respectively. For the three months and the six months ended June 30, 2020 and 2019, interest expense from the interest bearing borrowing from other related parties amounted to \$37,976, \$29,506, \$70,785 and \$58,431, respectively.

7. Guarantee

As of December 31, 2019, and June 30, 2019, the Group had provided a guarantee for loans taken out by affiliates and the credit limit of the guarantee was \$96,863 and \$101,723, and the actual drawn amount was \$9,682 and \$12,196, respectively.

8. Leases

- 1) In November 2017, the Group rented an office building from other related parties. A four and half years lease contract was signed, in which the rental fee was determined based on nearby office rental rates. The total value of the contract was \$80,141. For the six months ended June 30, 2020 and 2019, the Group recognized the amount of \$650 and \$630 as interest expense. As of June 30, 2020, December 31, 2019, and June 30, 2019, the balance of lease liabilities amounted to \$45,448, \$55,246 and \$36,770.
- 2) For the three months and the six months ended June 30, 2020 and 2019, rent expense is not included in rent liabilities that from other related parties amounted to \$1,465, \$1,461, \$2,942 and \$2,637, respectively.

9. Others

- 1) As of June 30, 2020, December 31, 2019, and June 30, 2019 bank deposits in financial institutions which are other related parties of the Group amounted to \$2,887,204, \$477,266 and \$174,721, respectively. For the three months and the six months ended June 30, 2020 and 2019, interest revenue from the deposits in other related parties amounted to \$906, \$234, \$906 and \$234, respectively.
- 2) The Group purchased from its other related party debt securities-real estate asset trust, with rates ranging from 2.78% to 4.59% and due date in 2022. The investment balance and interest revenue from debt securities amounted to \$383,000 and \$834 as of and for the six months ended June 30, 2020, respectively.

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3) Other expense with related parties :

Other related parties	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Other operating costs and expenses	\$ <u>23,872</u>	<u>55,705</u>	<u>38,146</u>	<u>76,630</u>

(d) Key management personnel compensation

	For the three months ended June 30,		For the six months ended June 30,	
	2020	2019	2020	2019
Short-term employee benefits \$	82,166	78,783	165,943	160,418
Post-employment benefits	<u>18,461</u>	<u>640</u>	<u>19,070</u>	<u>1,216</u>
	\$ <u>100,627</u>	<u>79,423</u>	<u>185,013</u>	<u>161,634</u>

(8) Pledged Assets

The carrying values of pledged assets were as follows:

Pledged assets	Object	2020.6.30	2019.12.31	2019.6.30
Restricted cash in banks				
Restricted account for loans repayment	Issuance of short-term notes and bills, and as guarantee for short-term and long-term borrowings; as well as performance guarantee for alliance contracts(Note)	\$ 3,239,937	2,216,241	3,036,184
Property, plant and equipment	As guarantee for short-term and long-term borrowings	2,098,848	2,150,785	2,230,776
Equity securities	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	-	-	1,198
Refundable deposits	Provincial court seizure etc.	67,200	63,401	52,539
Accounts receivable and notes receivable	Issuance of short-term notes and bills and as guarantee for short-term and long-term borrowings	<u>120,606,383</u>	<u>112,324,266</u>	<u>115,667,881</u>
Total		\$ <u>126,012,368</u>	<u>116,754,693</u>	<u>120,988,578</u>

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

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(9) Commitments and Contingencies

- (a) The Group entered into alliances with several commercial banks for which the banks will provide direct financing loans to the Group's corporate and individual customers. Should these corporate and individual customers default on their payments, the Group is required to assume their loan obligations and pay these loans on behalf of these customers. As of June 30, 2020, December 31, 2019, and June 30, 2019, the balance of unexpired payments from these alliance transactions amounted to \$8,567,475, \$8,101,667 and \$8,085,486, 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

For repaying its bank loans and increasing its working capital to strengthen its financial structure, the Company issued 150,000 thousand preferred stocks, at a par value of NT\$10 and an issuance price of NT\$100 per share, with the approval of the Financial Supervisory Commission R.O.C. on July 13, 2020 and base date set on August 19, 2020. The issuance of shares has yet to be completed as of the reporting date.

(12) Other

- (a) Liquidity analysis of assets and liabilities :

	2020.6.30	
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months
<u>Current assets</u>		Total
Cash and cash equivalents	\$ 29,534,501	29,534,501
Current financial assets at fair value through profit or loss	537,580	537,580
Current financial assets at amortized cost	5,149,174	12,644,979
Current financial assets for hedging	675,656	675,656
Accounts receivable, net	204,908,752	331,074,479
Other current financial assets	7,233,317	7,321,851
Other current assets	7,981,751	7,981,751
	\$ 256,020,731	389,770,797

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2020.6.30			
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current liabilities</u>			
Short-term borrowings	\$ 60,809,541	-	60,809,541
Short-term notes and bills payable	76,887,588	-	76,887,588
Current financial liabilities for hedging	84,050	-	84,050
Accounts and notes payable	4,878,181	77	4,878,258
Current tax liabilities	2,637,323	-	2,637,323
Current lease liabilities	596,051	364,869	960,920
Other current financial liabilities	23,043,005	29,227,018	52,270,023
Long-term liabilities, current portion	78,462,533	74,561,196	153,023,729
Other current liabilities	3,876,496	-	3,876,496
	<u>\$ 251,274,768</u>	<u>104,153,160</u>	<u>355,427,928</u>
2019.12.31			
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current assets</u>			
Cash and cash equivalents	\$ 18,660,546	-	18,660,546
Current financial assets at fair value through profit or loss	232,658	-	232,658
Current financial assets at amortized cost	4,413,483	6,385,636	10,799,119
Current financial assets for hedging	465,101	-	465,101
Accounts receivable, net	209,091,600	113,094,688	322,186,288
Other current financial assets	8,443,841	70,752	8,514,593
Other current assets	6,258,911	-	6,258,911
	<u>\$ 247,566,140</u>	<u>119,551,076</u>	<u>367,117,216</u>

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	2019.12.31		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current liabilities</u>			
Short-term borrowings	\$ 60,184,562	-	60,184,562
Short-term notes and bills payable	72,672,364	-	72,672,364
Current financial liability for hedging	42,730	-	42,730
Accounts and notes payable	6,586,231	76	6,586,307
Current tax liabilities	2,011,215	-	2,011,215
Current lease liabilities	550,122	378,011	928,133
Other current financial liabilities	17,721,503	28,046,486	45,767,989
Long-term liabilities, current portion	73,509,810	59,091,187	132,600,997
Other current liabilities	3,581,389	-	3,581,389
	<u>\$ 236,859,926</u>	<u>87,515,760</u>	<u>324,375,686</u>
	2019.6.30		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current assets</u>			
Cash and cash equivalents	\$ 18,484,906	-	18,484,906
Current financial assets at fair value through profit or loss	825,896	-	825,896
Current financial assets at amortized cost	5,633,609	3,301,148	8,934,757
Current financial assets for hedging	239,466	-	239,466
Accounts receivable, net	187,752,493	101,335,679	289,088,172
Other current financial assets	4,594,025	57,195	4,651,220
Other current assets	5,137,170	-	5,137,170
	<u>\$ 222,667,565</u>	<u>104,694,022</u>	<u>327,361,587</u>

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	2019.6.30		
	Expected to be collected or paid within 12 months	Expected to be collected or paid after 12 months	Total
<u>Current liabilities</u>			
Short-term borrowings	\$ 55,386,259	-	55,386,259
Short-term notes and bills payable	64,843,935	-	64,843,935
Current financial liability for hedging	21,908	-	21,908
Accounts and notes payable	4,823,790	124	4,823,914
Current tax liabilities	2,037,851	-	2,037,851
Current lease liabilities	280,926	303,873	584,799
Other current financial liabilities	5,311,827	40,177,929	45,489,756
Long-term liabilities, current portion	68,430,733	40,898,346	109,329,079
Other current liabilities	<u>2,473,213</u>	<u>-</u>	<u>2,473,213</u>
	\$ 203,610,442	81,380,272	284,990,714

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

By item	For the three months ended June 30, 2020			For the three months ended June 30, 2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	5,668	1,767,189	1,772,857	15,149	1,498,026	1,513,175
Labor and health insurance	178	72,030	72,208	1,137	93,477	94,614
Pension	85	66,069	66,154	544	100,068	100,612
Others	-	94,891	94,891	-	112,778	112,778
Depreciation	946,880	170,862	1,117,742	783,260	141,356	924,616
Amortization	-	51,901	51,901	-	56,888	56,888

By item	For the six months ended June 30, 2020			For the six months ended June 30, 2019		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salary	17,917	3,464,943	3,482,860	29,463	2,965,707	2,995,170
Labor and health insurance	955	184,694	185,649	2,248	194,509	196,757
Pension	458	144,545	145,003	1,071	181,492	182,563
Others	-	192,640	192,640	-	211,055	211,055
Depreciation	1,764,803	347,901	2,112,704	1,517,378	274,633	1,792,011
Amortization	-	93,382	93,382	-	96,641	96,641

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(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 six months ended June 30, 2020 was as follows :

1. Fund loaning to other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
1	Chailease Finance Co., Ltd.	A	Accounts receivable	No	1,079,200	871,200	871,200	0.01%-19.83%	2	-	Working Capital	10,454	None	-	3,535,500	56,568,005
"	"	B	"	No	459,995	459,995	459,995	0.01%-19.83%	2	-	Working Capital	5,520	None	-	3,535,500	56,568,005
"	"	C	"	No	379,057	336,599	336,599	0.01%-19.83%	2	-	Working Capital	4,039	None	-	3,535,500	56,568,005
"	"	D	"	No	211,370	211,370	211,370	0.01%-19.83%	2	-	Working Capital	2,536	None	-	3,535,500	56,568,005
"	"	E	"	No	207,700	207,700	207,700	0.01%-19.83%	2	-	Working Capital	2,492	None	-	3,535,500	56,568,005
"	"	F	"	No	200,000	195,833	185,833	0.01%-19.83%	2	-	Working Capital	2,230	None	-	3,535,500	56,568,005
"	"	G	"	No	308,690	181,812	96,492	0.01%-19.83%	2	-	Working Capital	1,158	None	-	3,535,500	56,568,005
"	"	H	"	No	217,177	140,000	105,350	0.01%-19.83%	2	-	Working Capital	1,264	None	-	3,535,500	56,568,005
"	"	I	"	No	133,728	133,700	133,700	0.01%-19.83%	2	-	Working Capital	1,604	None	-	3,535,500	56,568,005
"	"	J	"	No	130,000	130,000	122,500	0.01%-19.83%	2	-	Working Capital	1,470	None	-	3,535,500	56,568,005
"	"	K	"	No	14,000	1,353	1,353	0.01%-19.83%	1	174,512	-	16	None	-	3,535,500	56,568,005
"	"	K-1	"	No	147,750	118,490	118,490	0.01%-19.83%	2	-	Working Capital	1,422	None	-	3,535,500	56,568,005
"	"	L	"	No	-	-	-	0.01%-19.83%	1	193,927	-	-	None	-	3,535,500	56,568,005
"	"	L-1	"	No	160,195	114,502	68,502	0.01%-19.83%	2	-	Working Capital	822	None	-	3,535,500	56,568,005
"	"	M	"	No	111,170	111,170	111,170	0.01%-19.83%	2	-	Working Capital	1,334	None	-	3,535,500	56,568,005
"	"	N	"	No	20,000	20,000	20,000	0.01%-19.83%	1	130,000	-	240	None	-	3,535,500	56,568,005
"	"	N-1	"	No	286,323	88,961	38,961	0.01%-19.83%	2	-	Working Capital	468	None	-	3,535,500	56,568,005
"	"	O	"	No	30,000	30,000	30,000	0.01%-19.83%	1	35,000	-	360	None	-	3,535,500	56,568,005
"	"	O-1	"	No	124,269	78,300	78,300	0.01%-19.83%	2	-	Working Capital	940	None	-	3,535,500	56,568,005
"	"	P	"	No	206,910	106,760	106,760	0.01%-19.83%	2	-	Working Capital	1,281	None	-	3,535,500	56,568,005
"	"	Q	"	No	111,668	105,474	105,474	0.01%-19.83%	1	255,212	-	1,266	None	-	3,535,500	56,568,005
"	"	R	"	No	130,000	103,800	63,300	0.01%-19.83%	2	-	Working Capital	760	None	-	3,535,500	56,568,005
"	"	S	"	No	180,000	100,000	100,000	0.01%-19.83%	2	-	Working Capital	1,200	None	-	3,535,500	56,568,005
"	"	T	"	No	100,000	100,000	-	0.01%-19.83%	2	-	Working Capital	-	None	-	3,535,500	56,568,005
"	"	Chuang Ju Limited Partnership	"	Yes	1,000,000	-	-	0.01%-19.83%	2	-	Working Capital	-	None	-	3,535,500	56,568,005
"	"	Summary of other clients	"	No	9,445,316	5,938,928	5,735,627	0.01%-19.83%	1	31,585,458	-	68,828	Bank Deposits/ Stocks/ Properties	1,074,069	3,535,500	56,568,005
"	"	"	"	No	27,762,952	18,397,168	16,936,119	0.01%-19.83%	2	-	Working Capital	363,855	Bank Deposits/ Stocks/ Fund/ Beneficiary certificate/ Machinery Equipment/ Properties	2,681,608	3,535,500	56,568,005

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No.	Financing company	Counter-party (Note 4)	Account	Related party	Maximum balance for the year	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 1)	Transaction amount	Reasons for financing	Allowance for bad debt	Collateral		Financing limits for each borrowing company (Note 2)	Financing company's total financing amount limits (Note 3)
													Item	Value		
2	Fina Finance & Trading Co., Ltd.	A	Accounts receivable	No	226,979	226,978	226,978	1.6037%-19.8637%	2	-	Working Capital	-	Properties	195,049	1,471,708	23,547,320
"	"	B	"	No	322,942	172,959	172,959	1.6037%-19.8637%	2	-	Working Capital	1,730	None	-	1,471,708	23,547,320
"	"	C	"	No	162,478	111,913	111,913	1.6037%-19.8637%	2	-	Working Capital	1,119	None	-	1,471,708	23,547,320
"	"	D	"	No	66,670	66,539	66,539	1.6037%-19.8637%	2	-	Working Capital	665	None	-	1,471,708	23,547,320
"	"	D-1	"	No	13,382	13,374	13,374	1.6037%-19.8637%	1	19,400	-	134	None	-	1,471,708	23,547,320
"	"	E	"	No	75,000	74,993	74,993	1.6037%-19.8637%	2	-	Working Capital	750	Properties	198,375	1,471,708	23,547,320
"	"	F	"	No	62,875	62,710	62,710	1.6037%-19.8637%	2	-	Working Capital	627	Properties	54,170	1,471,708	23,547,320
"	"	G	"	No	59,259	56,851	56,851	1.6037%-19.8637%	2	-	Working Capital	569	Properties	51,908	1,471,708	23,547,320
"	"	H	"	No	63,672	55,596	55,596	1.6037%-19.8637%	2	-	Working Capital	556	None	-	1,471,708	23,547,320
"	"	I	"	No	78,573	54,955	54,955	1.6037%-19.8637%	2	-	Working Capital	550	Properties	17,971	1,471,708	23,547,320
"	"	J	"	No	56,892	51,947	51,947	1.6037%-19.8637%	2	-	Working Capital	519	Properties	18,363	1,471,708	23,547,320
"	"	Summary of other clients	"	No	7,529,503	5,096,810	5,034,810	1.6037%-19.8637%	2	-	Working Capital	82,009	Bank Deposits/ Stocks/ Properties/ Vehicles/ Machinery Equipment	1,336,018	1,471,708	23,547,320
"	"	"	"	No	1,845,334	1,230,991	1,220,991	1.6037%-19.8637%	1	2,209,686	-	31,983	Properties/ Ships	182,511	1,471,708	23,547,320
"	"	Chuang Ju Limited Partnership	"	Yes	1,200,000	800,000	800,000	1.6037%-19.8637%	2	-	Working Capital	-	None	-	1,471,708	23,547,320
3	Chailease Consumer Finance Co., Ltd.	A	Accounts receivable	No	5,000	2,575	2,575	2%-19%	2	-	Working Capital	9	None	-	409,308	4,093,080
"	"	B	"	No	1,000	520	520	2%-19%	2	-	Working Capital	2	None	-	409,308	4,093,080
"	"	C	"	No	1,000	510	510	2%-19%	1	21,515	-	2	None	-	409,308	4,093,080
"	"	D	"	No	462	370	370	2%-19%	2	-	Working Capital	1	None	-	409,308	4,093,080
"	"	E	"	No	512	322	322	2%-19%	2	-	Working Capital	1	None	-	409,308	4,093,080
"	"	F	"	No	330	229	229	2%-19%	2	-	Working Capital	7	None	-	409,308	4,093,080
"	"	G	"	No	259	196	196	2%-19%	2	-	Working Capital	6	None	-	409,308	4,093,080
"	"	H	"	No	299	168	168	2%-19%	2	-	Working Capital	1	None	-	409,308	4,093,080
"	"	I	"	No	217	129	129	2%-19%	2	-	Working Capital	-	None	-	409,308	4,093,080
"	"	J	"	No	145	37	37	2%-19%	2	-	Working Capital	-	None	-	409,308	4,093,080
"	"	Summary of other clients	"	No	657	27	27	2%-19%	1	9,006	-	-	None	-	409,308	4,093,080
"	"	"	"	No	5,788	-	-	2%-19%	2	-	Working Capital	-	None	-	409,308	4,093,080
"	"	Chuang Ju Limited Partnership	"	Yes	300,000	300,000	300,000	2%-19%	2	-	Working Capital	-	None	-	409,308	4,093,080
4	Chailease International Finance Corporation	A	Receivable-short term financing	No	37,719	32,480	32,480	4.35%-17%	2	-	Working Capital	326	None	-	1,296,473	10,371,782
"	"	B	"	No	37,719	29,337	29,337	4.35%-17%	2	-	Working Capital	296	None	-	1,296,473	10,371,782
"	"	C	"	No	26,264	25,262	25,262	4.35%-17%	2	-	Working Capital	193	None	-	1,296,473	10,371,782
"	"	D	"	No	25,146	25,146	25,146	4.35%-17%	2	-	Working Capital	-	None	-	1,296,473	10,371,782
"	"	E	"	No	22,701	22,701	5,937	4.35%-17%	2	-	Working Capital	85	None	-	1,296,473	10,371,782
"	"	F	"	No	23,749	21,921	21,921	4.35%-17%	2	-	Working Capital	74	None	-	1,296,473	10,371,782
"	"	G	"	No	20,955	20,955	-	4.35%-17%	2	-	Working Capital	-	None	-	1,296,473	10,371,782
"	"	H	"	No	18,860	18,860	18,860	4.35%-17%	2	-	Working Capital	-	Real estate	-	1,296,473	10,371,782
"	"	I	"	No	18,860	18,860	18,860	4.35%-17%	2	-	Working Capital	-	Vehicles	-	1,296,473	10,371,782
"	"	J	"	No	18,860	18,860	18,860	4.35%-17%	2	-	Working Capital	-	None	-	1,296,473	10,371,782

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													Item	Value		
4	Chailase International Finance Corporation	Summary of other clients	Receivable-short term financing	No	1,750,606	1,447,423	1,258,199	4.35%-17%	2	-	Working Capital	28,625	Vehicles/ Real estate/ Equipment/ Properties	138,139	1,296,473	10,371,782
"	"	"	Receivables-business relationship	No	89,804	62,073	62,073	4.35%-17%	1	130,759	-	713	Vehicles/ Equipment	17,732	1,296,473	10,371,782
"	"	Chailase International Corp.	Receivables from related party	Yes	2,514,600	2,514,600	-	4.35%-17%	2	-	Working Capital	-	None	-	6,482,364	10,371,782
"	"	Chailase International Corp.	"	Yes	1,257,300	1,257,300	-	4.35%-17%	2	-	Working Capital	-	None	-	6,482,364	10,371,782
"	"	JonRuei Finance Corporation.	"	Yes	29,337	29,337	-	4.35%-17%	2	-	Working Capital	-	None	-	6,482,364	10,371,782
"	"	Chailase Commercial Factoring Corporation.	"	Yes	838,200	838,200	-	4.35%-17%	2	-	Working Capital	-	None	-	6,482,364	10,371,782
5	Chailase Specialty Finance Co., Ltd	A	Accounts receivable	No	150,000	150,000	150,000	0.75%-13.08%	2	-	Working Capital	1,575	None	-	3,535,500	5,392,353
"	"	B	"	No	150,000	135,000	135,000	0.75%-13.08%	2	-	Working Capital	1,418	None	-	3,535,500	5,392,353
"	"	C	"	No	92,000	90,160	90,160	0.75%-13.08%	2	-	Working Capital	947	None	-	3,535,500	5,392,353
"	"	D	"	No	80,000	80,000	80,000	0.75%-13.08%	2	-	Working Capital	840	None	-	3,535,500	5,392,353
"	"	E	"	No	78,020	78,020	78,020	0.75%-13.08%	2	-	Working Capital	819	None	-	3,535,500	5,392,353
"	"	F	"	No	66,375	66,375	66,375	0.75%-13.08%	2	-	Working Capital	697	None	-	3,535,500	5,392,353
"	"	G	"	No	65,000	65,000	65,000	0.75%-13.08%	2	-	Working Capital	683	None	-	3,535,500	5,392,353
"	"	H	"	No	75,000	63,795	63,795	0.75%-13.08%	2	-	Working Capital	670	None	-	3,535,500	5,392,353
"	"	I	"	No	65,000	50,556	50,556	0.75%-13.08%	2	-	Working Capital	531	None	-	3,535,500	5,392,353
"	"	J	"	No	50,000	50,000	50,000	0.75%-13.08%	2	-	Working Capital	525	None	-	3,535,500	5,392,353
"	"	Summary of other clients	"	No	1,110,757	599,923	599,923	0.75%-13.08%	2	-	Working Capital	10,953	Properties	19,482	3,535,500	5,392,353
6	Chailase Finance Securitization Trust 2016	A	"	No	8,395	3,737	3,737	4.43%-12.27%	1	20,729	-	30	Bank Deposits	2,000	49,738	880,589
"	"	B	"	No	3,328	3,296	3,296	4.43%-12.27%	2	-	Working Capital	2,829	Bank Deposits	2,200	49,738	880,589
"	"	C	"	No	4,198	2,569	2,569	4.43%-12.27%	1	8,000	-	21	Bank Deposits	800	49,738	880,589
"	"	D	"	No	5,781	1,769	1,769	4.43%-12.27%	2	-	Working Capital	14	Bank Deposits	4,500	49,738	880,589
"	"	E	"	No	6,250	1,586	1,586	4.43%-12.27%	2	-	Working Capital	13	None	-	49,738	880,589
"	"	F	"	No	1,449	1,439	1,439	4.43%-12.27%	2	-	Working Capital	1,240	None	-	49,738	880,589
"	"	G	"	No	3,919	1,330	1,330	4.43%-12.27%	1	31,367	-	11	None	-	49,738	880,589
"	"	H	"	No	3,134	1,020	1,020	4.43%-12.27%	2	-	Working Capital	8	Bank Deposits	3,500	49,738	880,589
"	"	I	"	No	888	879	879	4.43%-12.27%	2	-	Working Capital	888	None	-	49,738	880,589
"	"	J	"	No	3,463	825	825	4.43%-12.27%	2	-	Working Capital	7	None	-	49,738	880,589
"	"	Summary of other clients	"	No	11,864	1,902	1,902	4.43%-12.27%	2	-	Working Capital	14	Bank Deposits	1,000	49,738	880,589
"	"	"	"	No	3,598	1,025	1,025	4.43%-12.27%	1	75,168	-	8	Bank Deposits	-	49,738	880,589

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													Item	Value		
7	Chailase International Corp.	Chailase International Finance Corporation	Receivables from related party	Yes	838,200	838,200	628,650	4.35%	2	-	Working Capital	-	None	-	1,068,178	1,709,084
"	"	Chailase International Corp.	"	Yes	419,100	419,100	-	4.35%	2	-	Working Capital	-	None	-	1,068,178	1,709,084
8	Chailase International Corp.	Chailase International Finance Corporation	Receivables from related party	Yes	838,200	838,200	209,550	4.35%	2	-	Working Capital	-	None	-	1,051,952	1,683,123
"	"	Chailase International Corp.	"	Yes	419,100	419,100	-	4.35%	2	-	Working Capital	-	None	-	1,051,952	1,683,123
9	Chailase Finance Securitization Trust 2019	A	Accounts receivable	No	26,532	18,464	18,464	4.09%-12.54%	1	55,387	-	148	Bank Deposits	5,270	53,301	1,045,149
"	"	B	"	No	15,555	14,525	14,525	4.09%-12.54%	2	-	Working Capital	116	None	-	53,301	1,045,149
"	"	C	"	No	13,158	12,013	12,013	4.09%-12.54%	2	-	Working Capital	96	Bank Deposits	1,500	53,301	1,045,149
"	"	D	"	No	18,380	10,920	10,920	4.09%-12.54%	2	-	Working Capital	87	Bank Deposits	9,000	53,301	1,045,149
"	"	E	"	No	13,015	10,041	10,041	4.09%-12.54%	2	-	Working Capital	80	None	-	53,301	1,045,149
"	"	F	"	No	13,475	9,953	9,953	4.09%-12.54%	1	26,993	-	80	None	-	53,301	1,045,149
"	"	G	"	No	15,184	9,924	9,924	4.09%-12.54%	2	-	Working Capital	79	None	-	53,301	1,045,149
"	"	H	"	No	13,067	8,802	8,802	4.09%-12.54%	1	30,000	-	70	Bank Deposits	4,000	53,301	1,045,149
"	"	I	"	No	13,849	8,664	8,664	4.09%-12.54%	1	20,000	-	69	None	-	53,301	1,045,149
"	"	J	"	No	11,032	7,683	7,683	4.09%-12.54%	1	18,000	-	61	Bank Deposits	3,400	53,301	1,045,149
"	"	Summary of other clients	"	No	347,892	176,871	176,871	4.09%-12.54%	2	-	Working Capital	1,375	Bank Deposits	50,400	53,301	1,045,149
"	"	"	"	No	287,248	174,666	174,666	4.09%-12.54%	1	929,338	-	1,439	Bank Deposits	27,700	53,301	1,045,149

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

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

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

(1)Subsidiary – The maximum fund loaning provided by Chailase Finance Co., Ltd. for individual entity cannot exceed \$3,535,500, which is 10% of the net worth.

(2)Subsidiary – The maximum fund loaning provided by Fina Finance & Trading Co., Ltd. for individual entity cannot exceed \$1,471,708, which is 10% of the net worth.

(3)Subsidiary – The maximum fund loaning provided by Chailase Consumer Finance Co., Ltd. for individual entity cannot exceed \$409,308, which is 10% of the net worth.

(4)Subsidiary – The maximum fund loaning provided by Chailase International Finance Corporation for individual entity cannot exceed \$1,296,473, which is 5% of the net worth. The maximum fund loaning cannot exceed \$6,482,363, which is 25% of the net worth to individual affiliate.

(5)Subsidiary – The maximum fund loaning provided by Chailase Specialty Finance Co., Ltd. for individual entity cannot exceed \$3,535,500, which is 10% of the net worth of parent company (Chailase Finance Co., Ltd.).

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

(7)Special purpose entities – The maximum fund loaning provided by Chailase Finance Securitization Trust 2019 for an individual entity cannot exceed \$53,301, which is 1% of the securitized financial assets approved by the competent authority.

(8)Subsidiary – The maximum fund loaning provided by Chailase International Corp. for individual entity cannot exceed \$213,636, which is 5% of the net worth. The maximum fund loaning cannot exceed \$1,068,178, which is 25% of the net worth to individual affiliate.

(9)Subsidiary – The maximum fund loaning provided by Chailase Finance International Corp. for individual entity cannot exceed \$210,390, which is 5% of the net worth. The maximum fund loaning cannot exceed \$1,051,952, which is 25% of the net worth to individual affiliate.

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Note 3: Limit on the amount for loaning fund

- (1)Subsidiary – The total amount of fund loaning provided by Chailease Finance Co., Ltd. cannot exceed \$56,568,005, which is 160% of the net worth; the total amount of fund loaning for short-term financing cannot exceed \$35,355,003, which is the net worth of the most recent financial statement.
- (2)Subsidiary – The total amount of fund loaning provided by Fina Finance & Trading Co., Ltd. cannot exceed \$23,547,320, which is 160% of the net worth; the total amount of fund loaning for short-term financing cannot exceed \$14,717,075, which is the net worth of the most recent financial statement.
- (3)Subsidiary – The total amount of fund loaning provided by Chailease Consumer Finance Co., Ltd. cannot exceed \$4,093,080, which is the net worth; the total amount of fund loaning for short-term financing cannot exceed \$1,637,232, which is 40% of the net worth of the most recent financial statement.
- (4)Subsidiary – The total amount of fund loaning provided by Chailease International Finance Corporation cannot exceed \$10,371,782, which is 40% of the net worth of the most recent financial statement.
- (5)Subsidiary – The total amount of fund loaning provided by Chailease Specialty Finance Co., Ltd. cannot exceed \$5,392,353, which is the net worth; the total amount of fund loaning for short-term financing cannot exceed \$2,156,941, which is 40% of the net worth of the most recent financial statement.
- (6)Special purpose entities – The total amount of fund loaning provided by Chailease Finance Securitization Trust 2016 cannot exceed \$880,589, which is the book value of the subordinated debt securities; the total amount of fund loaning for short-term financing cannot exceed \$497,379, which is 10% of the securitized financial assets approved by the competent authority.
- (7)Special purpose entities – The total amount of fund loaning provided by Chailease Finance Securitization Trust 2019 cannot exceed \$1,045,149, which is the book value of the subordinated debt securities; the total amount of fund loaning for short-term financing cannot exceed \$533,015, which is 10% of the securitized financial assets approved by the competent authority.
- (8)Subsidiary – The total amount of fund loaning provided by Chailease International Corp. cannot exceed \$1,709,084, which is 40% of the net worth of the most recent financial statement.
- (9)Subsidiary – The total amount of fund loaning provided by Chailease Finance International Corp. cannot exceed \$1,683,123, which is 40% of the net worth of the most recent financial statement.

Note 4: Counter parties

- (1)Subsidiary – Chailease Finance Co., Ltd.: There are 4,990 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 897 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (3)Subsidiary – Chailease Consumer Finance Co., Ltd.: There are 19 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (4)Subsidiary – Chailease International Finance Corporation: There are 177 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 89 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 19 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (7)Special purpose entities – Chailease Finance Securitization Trust 2019: There are 121 counter parties altogether during the period, the above table only disclosed the related parties and the top 10 counter parties.
- (8)Subsidiary – Chailease International Corp.: There is 2 counter party during the period.
- (9)Subsidiary – Chailease Finance International Corp.: There is 2 counter party during the period.

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

Note 6: The articles of incorporation of Chailease Specialty Finance Co., Ltd. modified its previous provision from “The amount for financial shall not exceed 10% of the parent company’s net worth.” to “The amount for financial shall not exceed 10% of the company’s net worth.” based on the resolution decided during the board meeting held on July 15, 2020.

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2. Guarantees and endorsements for other parties:

(Amounts Expressed in Thousands of New Taiwan Dollars)

No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement /guarantee amount provided to each guaranteed party	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note1)										
0	The Company	Chailase International Finance Corporation	2	140,485,604	55,496,194	53,717,870	30,697,272	-	76.47 %	351,214,010	Y		Y
"	"	Chailase International Leasing Company Limited	2	140,485,604	2,238,500	1,303,720	1,048,273	-	1.86 %	351,214,010	Y		
"	"	Chailase International Company (Malaysia) Limited	2	140,485,604	605,000	592,600	118,520	-	0.84 %	351,214,010	Y		
"	"	Chailase Berjaya Credit Sdn. Bhd	2	35,121,401	10,030,951	9,256,602	7,736,860	-	13.18 %	351,214,010	Y		
"	"	Chailase Royal Leasing Plc.	2	35,121,401	2,702,005	2,488,920	1,142,088	-	3.54 %	351,214,010	Y		
"	"	Chailase Royal Finance Plc.	2	35,121,401	1,651,100	1,629,650	934,234	-	2.32 %	351,214,010	Y		
"	"	Chailase Berjaya Finance Corporation	2	35,121,401	2,056,600	2,056,600	557,632	-	2.93 %	351,214,010	Y		
1	Chailase Finance Co., Ltd.	Chailase Finance (B.V.I.) Co., Ltd.	2	70,710,006	149,900	-	-	-	- %	176,775,015	Y		
"	"	Chailase Auto Rental Co., Ltd.	2	70,710,006	5,128,900	5,128,900	3,290,000	-	14.51 %	176,775,015	Y		
"	"	Chailase Consumer Finance Co., Ltd.	2	70,710,006	5,665,000	5,665,000	1,650,000	-	16.02 %	176,775,015	Y		
"	"	Chailase Specialty Finance Co., Ltd.	2	70,710,006	300,000	200,000	-	-	0.57 %	176,775,015	Y		
"	"	Apex Credit Solutions Inc.	2	70,710,006	160,000	-	-	-	- %	176,775,015	Y		
"	"	Chailase International Leasing Company Limited	2	70,710,006	10,052,466	9,730,703	6,522,764	-	27.52 %	176,775,015	Y		
"	"	Chailase International Trading Company Limited	2	70,710,006	1,270,075	1,243,375	156,194	-	3.52 %	176,775,015	Y		
"	"	Yun Tang Inc.	2	70,710,006	1,109,000	916,500	866,500	-	2.59 %	176,775,015	Y		
"	"	Chailase Credit Services Co., Ltd	2	70,710,006	36,000	36,000	3	-	0.10 %	176,775,015	Y		
"	"	Chailase Energy Integration Co., Ltd.	2	70,710,006	730,000	430,000	-	-	1.22 %	176,775,015	Y		
"	"	Chailase Power Technology Co., Ltd.	2	70,710,006	1,200,000	1,200,000	400,000	-	3.39 %	176,775,015	Y		
"	"	Grand Pacific Financing Corp.	2	70,242,802	3,267,000	3,200,040	981,494	-	4.56 %	176,775,015			
"	"	Chailase International Financial Services Co., Ltd.	2	70,242,802	33,469,835	31,233,778	20,198,763	-	44.47 %	176,775,015			
"	"	Chailase International Financial Services (Singapore) Pte Ltd	2	70,242,802	1,786,190	1,481,500	1,138,790	-	2.11 %	176,775,015			

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No.	Endorsement/ guarantee provider	Counter-party		Limitation on endorsement /guarantee amount provided to each guaranteed party	Maximum balance for the year	Ending balance	Amount actually drawn	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated endorsement/guarantee to net equity per latest financial statements	Maximum endorsement guarantee amount allowance	Guarantee provided by parent company	Guarantee provided by a subsidiary	Guarantee provided to subsidiaries in Mainland China
		Name	Nature of relationship (Note)										
2	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	2	9,371,435	252,450	241,125	183,255	-	5.15 %	23,428,588	Y		
3	Chailase International Finance Corporation	Chailase International Corp.	2	51,858,906	9,158,270	8,299,596	3,699,554	-	32.01 %	129,647,265	Y		Y
-	-	Chailase Finance International Corp.	2	51,858,906	8,701,643	8,585,012	3,672,220	-	33.11 %	129,647,265	Y		Y
-	-	DMC Energy Management Services (Shenzhen) Co., Ltd.	4	12,964,726	97,290	-	-	-	- %	129,647,265			Y
4	Grand Pacific Holding Corp.	Grand Pacific Financing Corp.	2	1,140,844	151,250	88,890	-	-	3.98 %	1,140,844	Y		

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

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

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

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

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

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

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

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

Note 5: Subsidiary— The total amount of guarantees and endorsements provided by Chailase Finance Co., Ltd. for Chailase International Financial Services Co., Ltd., Chailase Finance (B.V.I.) Company, Ltd., Chailase Specialty Finance Co., Ltd. and Chailase Auto Rental Co., Ltd. is \$6,564,885. The total amount has been adjusted.

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

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

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

Note 9: The total amount of guarantees and endorsements provided by the Company for Chailase International Finance Corporation and Chailase International Corp. is CNY110,000 thousand (\$461,010). The total amount has been disclosed in the balance of guarantees and endorsements for Chailase International Corp.

Note 10: The total amount of guarantees and endorsements provided by the Company for Chailase International Finance Corporation and Chailase Finance International Corp. is CNY100,000 thousand (\$419,100). The total amount has been disclosed in the balance of guarantees and endorsements for Chailase Finance International Corp.

Note 11: The total amount of guarantees and endorsements provided by the Company for Golden Bridge (B.V.I.) Corp. and Chailase International Company (Malaysia) Limited is USD10,000 thousand (\$296,300). The total amount has been adjusted.

Note 12: The total amount of guarantees and endorsements provided by the Company for Chailase Royal Finance Plc. and Chailase Royal Leasing Plc. is USD12,000 thousand (\$355,560). The total amount has been adjusted.

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Ta Chen Stainless Pipe Co., Ltd.	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	250	6,775	-	6,775	
"	Yuanta Daily Taiwan 50 Bear -1X ETF	"	"	550	5,236	-	5,236	
"	Forcera Materials Co., Ltd.	"	"	130	480	-	480	
"	ASE Technology Holding Co., Ltd.	"	"	100	6,760	-	6,760	
"	Egis Technology Inc.	"	"	70	13,475	-	13,475	
"	Yageo Corporation	"	"	24	9,144	-	9,144	
"	Visual Photonics Epitaxy Co. Ltd	"	"	100	9,150	-	9,150	
"	Asia Vital Components Co. Ltd.	"	"	390	16,283	-	16,283	
"	Sigurd Microelectronics Corp.	"	"	168	6,821	-	6,821	
"	Eclat Textile Co., Ltd.	"	"	25	8,550	-	8,550	
"	LARGAN Precision Co.,Ltd	"	"	5	20,425	-	20,425	
"	EPISTAR Corporation	"	"	400	14,740	-	14,740	
"	RichWave Technology Corporation	"	"	60	11,310	-	11,310	
"	Century Iron And Steel Industrial Co.,Lt	"	"	110	9,218	-	9,218	
"	TAIWAN FERTILIZER CO., LTD.	"	"	150	7,462	-	7,462	
"	Webi &Net Internet Services Inc.	"	"	250	-	10.53 %	-	(Note 2)
"	Skanhex Technology Inc.	"	"	5,273	-	4.53 %	-	(Note 2)
"	Rosun Technologies Inc.	"	"	182	-	-	-	(Note 2) percentage of ownership less than 0.01%
"	EastWest Pharmaceuticals	"	"	242	-	5.84 %	-	(Note 2)
"	Azanda Network Devices	"	"	714	-	-	-	(Note 2) percentage of ownership less than 0.01%
"	Sampotech Co., Ltd.	"	"	369	-	0.10 %	-	(Note 2)
"	Deerport Aviation Corp.	"	"	-	-	10.48 %	-	(Note 2) shareholding less than 1,000 shares

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Yuanta Securities—Structured Convertible Bonds	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	-	116,185	- %	116,185	
"	Yuanta Securities—Structured Convertible Bonds	"	"	-	30,063	- %	30,063	
"	Yuanta Securities—Structured Convertible Bonds	"	"	-	20,048	- %	20,048	
"	MasterLink Securities—Structured Convertible Bonds	"	"	-	20,065	- %	20,065	
"	MasterLink Securities—Structured Convertible Bonds	"	"	-	45,183	- %	45,183	
"	SinoPac Securities—Structured Convertible Bonds	"	"	-	15,098	- %	15,098	
"	SinoPac Securities—Structured Convertible Bonds	"	"	-	20,137	- %	20,137	
"	SinoPac Securities—Structured Convertible Bonds	"	"	-	30,076	- %	30,076	
"	SinoPac Securities—Structured Convertible Bonds	"	"	-	10,040	- %	10,040	
"	KGI Securities—Structured Convertible Bonds	"	"	-	10,045	- %	10,045	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	48,500	- %	48,500	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	20,010	- %	20,010	
"	Bank of Yuanta's Beneficial Right of the Real Estate Trust	—	"	-	302,172	- %	302,172	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	88,900	- %	88,900	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	103,280	- %	103,280	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	182,275	- %	182,275	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	65,600	- %	65,600	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	62,389	- %	62,389	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	27,550	- %	27,550	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	22,818	- %	22,818	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	18,650	- %	18,650	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	120,600	- %	120,600	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	146,231	- %	146,231	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	69,596	- %	69,596	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	109,722	- %	109,722	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	84,580	- %	84,580	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	573,000	- %	573,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	48,000	- %	48,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	280,000	- %	280,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	31,000	- %	31,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	61,000	- %	61,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	51,200	- %	51,200	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	26,000	- %	26,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	20,000	- %	20,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	45,000	- %	45,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	18,000	- %	18,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	60,000	- %	60,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	125,200	- %	125,200	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	63,400	- %	63,400	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	460,000	- %	460,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	333,000	- %	333,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	500,000	- %	500,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	62,000	- %	62,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,000	- %	42,000	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,500	- %	29,500	
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	360,000	- %	360,000	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	75,540	-	75,540	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	31,365	-	31,365	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	160,000	-	160,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	128,500	-	128,500	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	61,935	-	61,935	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	96,420	-	96,420	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	160,000	-	160,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	55,000	-	55,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	167,396	-	167,396	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	10,500	-	10,500	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	83,000	-	83,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	12,500	-	12,500	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	63,000	-	63,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	67,300	-	67,300	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	10,200	-	10,200	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	100,000	-	100,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	181,200	-	181,200	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	384,160	-	384,160	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	68,080	-	68,080	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	286,866	-	286,866	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	79,000	-	79,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	116,610	-	116,610	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	356,000	-	356,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	11,771	-	11,771	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,500	-	29,500	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	397,000	-	397,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,500	-	29,500	

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				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chalease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	32,250	-	32,250	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	48,462	-	48,462	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	21,500	-	21,500	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	379,328	-	379,328	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	23,000	-	23,000	
"	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	—	"	-	103,555	-	103,555	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	73,700	-	73,700	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	29,600	-	29,600	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	26,970	-	26,970	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	232,000	-	232,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	28,800	-	28,800	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	200,000	-	200,000	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	26,000	-	26,000	
"	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	—	"	-	69,000	-	69,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	241,880	-	241,880	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	572,200	-	572,200	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	67,000	-	67,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	94,000	-	94,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	56,500	-	56,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	85,500	-	85,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,500	-	42,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	95,000	-	95,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	120,000	-	120,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	143,131	-	143,131	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	200,000	-	200,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	65,466	-	65,466	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	31,700	-	31,700	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	40,000	-	40,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	33,258	-	33,258	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	51,500	-	51,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	48,500	-	48,500	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	210,200	-	210,200	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	102,350	-	102,350	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	71,191	-	71,191	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,462	-	42,462	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	218,280	-	218,280	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	169,000	-	169,000	
"	Bank of FET's Beneficial Right of the Real Estate Trust	—	"	-	79,780	-	79,780	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	9,660	- %	9,660	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	7,560	- %	7,560	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	"	-	8,580	- %	8,580	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,000	- %	50,000	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	80,500	- %	80,500	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	40,500	- %	40,500	
"	Global Glory Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	42,000	- %	42,000	
"	Bank of Taipei Star's Beneficial Right of the Real Estate Trust	—	"	-	2,600	- %	2,600	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	15,080	- %	15,080	
"	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	—	"	-	4,400	- %	4,400	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	50,000	- %	50,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	18,400	- %	18,400	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	39,810	- %	39,810	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	1,070	- %	1,070	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	32,000	- %	32,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	62,000	- %	62,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	15,161	- %	15,161	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	260,000	- %	260,000	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	31,200	- %	31,200	
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	96,200	- %	96,200	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	123,800	- %	123,800	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	663,000	- %	663,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	355,000	- %	355,000	
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	—	"	-	187,000	- %	187,000	
"	O-Bank Co., Ltd	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	92,694	668,324	3.42 %	668,324	
"	Subton Technology Co., Ltd.	"	"	288	3,081	0.10 %	3,081	
"	Spring House Entertainment Tech Inc.	"	"	688	8,330	4.67 %	8,330	
"	Tekcon Electronics Corp.	"	"	137	1,846	0.52 %	1,846	
"	Ecomsoftware Inc.	"	"	130	2,404	2.60 %	2,404	
"	Kingmax Technology Inc.	"	"	2,081	21,043	4.73 %	21,043	
"	Everterminal Co., Ltd.	"	"	490	5,648	0.50 %	5,648	
"	Crownpo Technology Inc.	"	"	57	864	0.51 %	864	

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Held company Name	Marketable securities type and name	Relationship with the company	Financial statement account	Ending balance				Note
				Shares/Units in (thousands)	Carrying value	Percentage of ownership (%)	Fair value (Note 1)	
Chailease Finance Co., Ltd.	Book4u Co., Ltd.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	9	87	0.19 %	87	
"	U-Ming Marine Transport Corp.	"	"	270	8,451	0.03 %	8,451	
"	CTCI Corp.	"	"	770	30,030	0.10 %	30,030	
"	Chin Poon	"	"	380	10,051	0.10 %	10,051	
Chailease Specialty Finance Co., Ltd.	Linkou amusement Co., Ltd.(Stock)	"	"	-	36,708	- %	36,708	shareholding less than 1,000 shares
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Current financial assets at amortized cost	-	38,400	- %	38,400	
"	Agora Garden Taipei	—	"	-	450,000	- %	450,000	
"	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	—	Non-current financial assets at amortized cost	-	5,600	- %	5,600	
"	Agora Garden Taipei	—	"	-	850,000	- %	850,000	
Chailease Energy Integration Co., Ltd	International Ocean Vessel Technical Consultant Co., Ltd.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	642	14,115	11.23 %	14,115	
Bangkok Grand Pacific Lease Public Company Limited	Bangkok Club Co., Ltd.(Stock)	"	"	64	203	0.14 %	203	
Asia Sermkij Leasing Public Co., Ltd.	Swe Trans Group Co., Ltd.	"	"	10	9,163	19.00 %	9,163	
"	Bumrungrad Hospital (Stock)	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	59	6,573	0.10 %	6,573	
Grand Pacific Holding Corp.	Mobileshift, Inc.	Investee at fair value	Non-current financial assets at fair value through other comprehensive income	359	7,407	3.45 %	7,407	
"	Stemcyte Inc.	"	"	38	1,482	0.15 %	1,482	
Grand Pacific Financing Corp.	Swabplus Inc.	"	"	10	-	- %	-	
"	Mobileshift, Inc.	"	"	358	7,407	3.45 %	7,407	
"	Stemcyte Inc.	"	"	38	1,482	0.15 %	1,482	
Chailease International Company (Malaysia) Limited	Anywhere 2 GO Co. Ltd CB	Investee company accounted for under the financial assets at fair value through profit or loss	Current financial assets at fair value through profit or loss	-	68,238	- %	68,238	
"	The Future Commerce Sdn. Bhd	"	Non-current financial assets at fair value through profit or loss	-	19,776	- %	19,776	
"	Logicnesia PTE LTD	"	"	-	9,276	- %	9,276	

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

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

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

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
The Company	Golden Bridge (B.V.I.) Corp.	Investments accounted for using equity method	-	-	-	-	-	-	-	-	-	-	-	-
Golden Bridge (B.V.I.) Corp.	My Leasing (Mauritius) Corp.	"	-	-	-	-	-	-	-	-	-	-	-	-
My Leasing (Mauritius) Corp.	Chailcase International Financial Services (Singapore) Pte. Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Fina Finance & Trading Co., Ltd.	Chailcase Consumer Finance Co., Ltd.	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailcase Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	"	-	-	-	-	-	-	-	-	-	-	-	-
Chailcase Finance Co., Ltd.	Bank of Shin Kong's Beneficial Right of the Real Estate Trust	Financial assets at amortized cost	-	-	-	429,000	-	36,000	-	-	465,000	-	-	-
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	333,000	-	-	-	-	-	333,000
"	United Real Estate Management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	360,000	-	-	-	-	-	360,000
"	Bank of BEA's Beneficial Right of the Real Estate Trust	"	-	-	-	890,000	-	-	-	-	890,000	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	300,600	-	16,000	-	-	316,600	-	-	-
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	357,860	-	316,060	-	-	271,360	-	-	402,560
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	774,066	-	-	-	-	487,200	-	-	286,866
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	-	-	397,000	-	-	-	-	-	397,000
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	208,000	-	256,000	-	-	232,000	-	-	232,000
"	Chaofu real estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	117,550	-	147,200	-	-	220,250	-	-	44,500

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Company name	Marketable securities type and name (Note 1)	Financial statement account (Note1)	Counter-party	Nature of relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares (In thousands)	Amount	Shares (In thousands)	Amount	Shares (In thousands)	Amount	Carrying value	Gain (loss) on disposal	Shares (In thousands)	Amount
Chailease Finance Co., Ltd.	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	Financial assets at amortized cost	-	-	-	-	-	663,000	-	-	-	-	-	663,000
"	Taiyi Real-Estate management Co., Ltd.'s Beneficial Right of the Real Estate Trust	"	-	-	-	500,000	-	-	-	-	500,000	-	-	-
Chailease Specialty Finance Co., Ltd.	Agora Garden Taipei	"	-	-	-	1,000,000	-	300,000	-	-	-	-	-	1,300,000

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

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

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

(Amounts Expressed in Thousands of New Taiwan Dollars)

Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	Chailease International Company (Malaysia) Limited	Subsidiaries	3,822,270	-	-		-	-
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd	Subsidiaries	597,178	-	-		-	-
Fina Finance & Trading Co., Ltd	Chuang Ju Limited Partnership	Associates	809,311	-	-		-	-
Chailease International Financial Services Co., Ltd.	Chailease International Company (Malaysia) Limited	Associates	1,670,689	-	-		-	-
"	Chailease International Financial Services (Labuan) Co., Ltd.	Associates	451,675	-	-		-	-
"	Chailease International Financial Services (Singapore) Pte. Ltd.	Associates	5,812,026	-	-		-	-

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Company name	Related party	Nature of relationship	Ending balance	Turnover days	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd.	Associates	1,100,311	-	-		-	-
"	Chailease International Financial Services (Liberia) Corp.	Associates	237,345	-	-		-	-
Chailease International Company (Malaysia) Limited	Golden Bridge (B.V.I.) Corp.	Associates	148,427	-	-		-	-
"	Chailease International Company (UK) Limited	Subsidiaries	5,424,467	-	-		-	-
Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public company Limited.	Subsidiaries	3,130,402	-	-		-	-
Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	Subsidiaries	305,386	-	-		-	-
Chailease International Corp.	Chailease International Finance Corporation	Subsidiaries	629,941	-	-		-	-
Chailease Finance International Corp.	Chailease International Finance Corporation	Subsidiaries	210,031	-	-		-	-
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Subsidiaries	4,603,598	-	-		-	-
"	C&E Engine Leasing Limited	Associates	1,672,551	-	-		-	-

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

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

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

No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
0	Chailease Holding Co., Ltd	Chailease International Company (Malaysia) Limited	1	Other current financial assets	3,822,270	Same as normal transactions	0.72 %
1	Chailease Finance Co., Ltd	Golden Bridge (B.V.I.) Corp. 、 Fina Finance & Trading Co., Ltd. 、 Chailease International Finance Corporation 、 Chailease Berjaya Credit Sdn. Bhd.	3	Other current financial assets	787,981	"	0.15 %
1	"	Chailease International Company (UK) Limited	3	Other current financial liabilities	4,603,598	"	0.87 %
1	"	Chailease International Finance Corporation 、 Fina Finance & Trading Co., Ltd. 、 Chailease Berjaya Credit Sdn. Bhd.	3	Operating revenues	271,030	"	0.96 %

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No.	Company name	Counter-party	Nature of relationship	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of the consolidated net revenue or total assets
2	Chailease Finance (B.V.I.) Company, Ltd.	Chailease International Financial Services Co., Ltd. ∙ Chailease International Financial Services (Liberia) Corp.	3	Financing and interest receivable	1,337,655	Same as normal transactions	0.25 %
3	Chailease International Finance Corporation	Chailease Finance Co., Ltd.	3	Other current financial liabilities	76,014	"	0.01 %
3	"	"	3	Operating cost and expenses	79,099	"	0.01 %
3	"	Chailease International Corp. ∙ Chailease Finance International Corp.	3	Borrowings and interest payable	839,972	"	0.16 %
4	Golden Bridge (B.V.I.) Corp.	Chailease Finance Co., Ltd.	3	Other current financial liabilities	50,020	"	0.01 %
4	"	Chailease International Company (Malaysia) Limited. ∙ My Leasing (Mauritius) Corp.	3	Borrowings and interest payable	237,496	"	0.05 %
5	My leasing (Mauritius) Corp.	Golden Bridge (B.V.I.) Corp.	3	Financing and interest receivable	89,069	"	0.02 %
6	Asia Sermkij Leasing Public Co., Ltd.	Bangkok Grand Pacific Lease Public Company Limited	3	Other current financial assets	3,130,402	"	0.59 %
6	"	"	3	Operating revenues and non-operating income	59,813	"	0.01 %
7	Chailease International Financial Services Co., Ltd.	Chailease International Company (Malaysia) Limited ∙ Chailease International Financial Services (Singapore) Pte. Ltd.	3	Financing and interest receivable	7,482,715	"	1.42 %
7	"	Chailease International Financial Services (Labuan) Co., Ltd.	3	Capital leases receivable	451,675	"	0.09 %
7	"	Chailease Finance (B.V.I.) Company, Ltd.	3	Borrowings and interest payable	1,100,311	"	0.21 %
8	Chailease International Company (Malaysia) Limited	Chailease International Company (UK) Limited ∙ Golden Bridge (B.V.I.) Corp.	3	Financing and interest receivable	1,820,595	"	0.34 %
8	"	Chailease International Company (UK) Limited	3	Other current financial assets	3,752,299	"	0.71 %
8	"	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	1,670,689	"	0.32 %
9	Chailease International Company (UK) Limited	Chailease International Company (Malaysia) Limited	3	Borrowings and interest payable	1,672,177	"	0.32 %
9	"	"	3	Other current financial liabilities	3,752,290	"	0.71 %
9	"	Chailease Finance Co., Ltd.	3	Other current financial assets	4,603,598	"	0.87 %
10	Fina Finance & Trading Co., Ltd.	Chuang Ju Limited Partnership	3	Financing and interest receivable	809,311	"	0.15 %
10	"	Chailease Finance Co., Ltd.	3	Other current financial liabilities	597,178	"	2.11 %
10	"	"	3	Operating expense	125,840	"	0.45 %
11	Chailease International Financial Services (Liberia) Corp.	Chailease Finance (B.V.I.) Company, Ltd.	3	Borrowings and interest payable	237,345	"	0.04 %
12	Chailease International Financial Service (Labuan) Co., Ltd	Chailease International Financial Services Co., Ltd.	3	Lease liabilities	451,675	"	0.09 %
13	Bangkok Grand Pacific Lease Public Company Limited	Asia Sermkij Leasing Public Co., Ltd.	3	Borrowings and interest payable	3,129,803	"	0.59 %
13	"	"	3	Operating expense	59,813	"	0.01 %
14	Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	3	Financing and interest receivable	305,386	"	0.06 %

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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
15	Chuang Ju Limited Partnership	Chailease Consumer Finance Co., Ltd. - Fina Finance & Trading Co., Ltd.	3	Borrowings and interest payable	1,114,697	Same as normal transactions	0.21 %
16	Chailease Finance International Corp.	Chailease International Finance Corporation	3	Financing and interest receivable	210,031	"	0.04 %
17	Chailease International Corp.	"	3	Financing and interest receivable	629,941	"	0.12 %
18	Chailease International Financial Services (Singapore) Pte. Ltd.	Chailease International Financial Services Co., Ltd.	3	Borrowings and interest payable	5,812,026	"	1.10 %
19	Chailease Berjaya Credit Sdn. Bhd.	Chailease Finance Co., Ltd.	3	Other current financial liabilities	64,770	"	0.01 %
19	"	"	3	Operating expense	66,091	"	0.01 %

Note 1: Descriptions of numbers are as follows:

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

Note 2: Nature of relationship is categorized as follows:

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

Note 3: Business transaction less than 50 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 six months ended June 30, 2020 is as follows (excluding information on investment in Mainland China) :

Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020			Net income (losses) of the investee	Share of profits/losses of investee	Note
				June 30, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Chailease International Company (Malaysia) Limited	Malaysia	Investment	19,805,140	19,805,140	1,147,247	100.00 %	38,982,959	3,923,062	3,923,062	
"	Chailease International Financial Services Co., Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	2,874,110	2,874,110	97,000	100.00 %	5,275,904	371,751	371,751	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing leasing, real estate, and mortgage	144,929	144,929	3,927	51.00 %	1,138,229	39,213	19,999	
"	Golden Bridge (B.V.I.) Corp. and its subsidiaries	British Virgin Islands	Investment	14,234,535	12,753,035	436,150	100.00 %	33,741,665	3,898,139	3,898,139	
"	Chailease International Company (Hong Kong) Limited	Hong Kong	Investment	254,818	254,818	8,600	100.00 %	248,214	(3,833)	(3,833)	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020			Net income (losses) of the investee	Share of profits/losses of investee	Note
				June 30, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
The Company	Chailease International Financial Services (Liberia) Corp.	Liberia	Leasing	175,538	175,538	-	100.00 %	206,645	20,599	20,599	share holding less than 1,000 shares
"	Chailease International Financial Services (Labuan) Co., Ltd.	Malaysia	Leasing	6,973	6,973	30	100.00 %	(37)	(3,527)	(3,527)	
Chailease International Company (Malaysia) Limited	Chailease International (B.V.I.) Corp.	British Virgin Islands	Investment	-	296	-	- %	-	-	-	
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	442,921	442,921	40,698	11.57 %	584,341	411,616	47,624	
"	Chailease International Company (UK) Limited	U.K.	Consulting, aircraft leasing and investment	23,452,177	23,452,177	422,287	100.00 %	35,910,475	3,932,350	3,932,350	
"	Chailease Berjaya Credit Sdn. Bhd.	Malaysia	Installment sales	579,250	463,400	87,500	70.00 %	853,987	87,590	61,313	
"	Chailease Royal Leasing Plc.	Cambodia	Leasing	88,890	88,890	3,000	60.00 %	196,449	47,460	28,476	
"	Chailease Royal Finance Plc.	Cambodia	Financing	177,543	106,431	6,312	60.00 %	173,063	10,448	6,269	
"	Yellowstone Holding AG	Swiss	Investment	163,354	163,354	525,000	35.00 %	129,584	(12,434)	(4,352)	
"	Chailease Berjaya Finance Corporation	Philippines	Leasing and financing	158,652	158,652	270,000	60.00 %	121,947	(4,307)	(2,584)	
"	CL Capital Management Company Limited	Cayman Islands	Investment consultant	-	-	-	48.00 %	-	596	-	
"	CL Investment Partners Company Limited	Cayman Islands	Investment consultant	4,162	4,162	-	48.00 %	4,118	(66)	(31)	
"	Chailease Greater China SME Fund, L.P.	Cayman Islands	Investment funds	408,349	401,163	-	48.00 %	357,459	(5,055)	(4,298)	
"	Diamond Rain Group Limited	British Virgin Islands	Investment	655,202	498,400	18,212	35.28 %	603,342	(128,788)	(45,436)	
"	Chailease JLK Capital Co., Ltd.	Thailand	Investment	47,261	-	9,800	49.00 %	47,731	950	466	
Chailease Berjaya Credits Sdn. Bhd.	Chailease Agency Sdn. Bhd.	Malaysia	Insurance Brokers	662	662	100	100.00 %	15,498	1,433	1,433	
"	Chailease Services Sdn. Bhd.	Malaysia	Insurance Brokers	662	662	100	100.00 %	1,774	840	840	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020			Net income (losses) of the investee	Share of profits/losses of investee	Note
				June 30, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailease International Company (UK) Limited	Chailease Finance Co., Ltd.	Taiwan	Installment sales, leasing and factoring	18,764,042	18,764,042	1,717,700	100.00 %	35,355,003	4,269,825	4,269,825	
"	C&E Engine Leasing Limited	Ireland	Leasing	667,224	667,224	22,519	50.00 %	671,971	9,640	4,820	
Chailease Finance Co., Ltd.	Fina Finance & Trading Co., Ltd.	Taiwan	Installment sales, trading and factoring	6,891,242	6,891,242	633,500	100.00 %	14,751,366	1,339,678	1,339,678	
"	Chailease Specialty Finance Co., Ltd.	Taiwan	Installment sales	5,137,496	5,137,496	201,561	100.00 %	5,260,619	127,256	127,256	
"	My Leasing (B.V.I.) Corp.	British Virgin Islands	Investment	503,710	503,710	17,000	100.00 %	618,355	(13,383)	(13,383)	
"	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	811,244	811,244	128,837	36.61 %	1,848,981	411,616	150,693	
"	Chailease Finance (B.V.I.) Company, Ltd.	British Virgin Islands	Installment sales, leasing overseas and financial consulting	1,212,164	1,212,164	40,910	100.00 %	1,439,108	3,900	3,900	
"	Apex Credit Solutions Inc.	Taiwan	Accounts receivable management, valuation, trading in financial instruments	-	60,939	-	- %	-	17,449	17,449	(Note 2)
"	Chung Hung Corp.	Taiwan	Foreign trade of machinery, equipment, transportation and leasing	-	1,000	-	- %	-	(2)	(1)	(Note 3)
"	Chailease International Leasing Company Limited (Vietnam)	Vietnam	Leasing	729,224	729,224	-	100.00 %	1,435,056	128,449	128,449	
"	Chailease Auto Rental Co., Ltd.	Taiwan	Leasing	1,352,227	1,352,227	141,339	100.00 %	1,497,105	69,449	69,449	
"	Chailease Insurance Brokers Co., Ltd.	Taiwan	Personal and property insurance brokers	8,000	8,000	800	100.00 %	38,743	22,491	22,491	
"	Grand Pacific Holdings Corp. and its subsidiaries	U.S.	Financing leasing, real estate, and mortgage	121,741	121,741	3,773	49.00 %	1,093,593	39,213	19,214	
"	Chailease Cloud Service Co., Ltd.	Taiwan	Software of cloud products, leasing and installment sales	10,000	10,000	1,000	100.00 %	5,686	36	36	
"	Yun Tang Inc.	Taiwan	Solar power business	445,000	445,000	-	100.00 %	499,287	21,865	21,865	
"	Chailease Energy Integration Co., Ltd.	Taiwan	Solar power business	50,000	50,000	5,000	100.00 %	498,992	412,071	412,071	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020			Net income (losses) of the investee	Share of profits/losses of investee	Note
				June 30, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailease Finance Co., Ltd.	Chailease Finance Securitization Trust 2016	Taiwan	Special purpose entity	880,589	880,589	-	100.00 %	666,929	41,375	41,375	
"	Chailease Power Technology Co., Ltd.	Taiwan	Solar power business	250,000	250,000	25,000	100.00 %	257,207	6,513	6,513	
"	Chailease International Trading Company Limited (Vietnam)	Vietnam	Trading	148,150	148,150	-	100.00 %	164,402	3,227	3,227	
"	Chung Cheng Energy Integration Co., Ltd.	Taiwan	Solar power business	1,000	1,000	100	100.00 %	910	(17)	(17)	
"	Ho Lien Energy Integration Co., Ltd.	Taiwan	Solar power business	1,000	1,000	100	100.00 %	263	(665)	(665)	
"	Chailease Finance Securitization Trust 2019	Taiwan	Special purpose entity	1,045,149	1,045,149	-	100.00 %	1,031,367	164,173	164,173	
"	Tai Yuan Energy Intergration Co., Ltd.	Taiwan	Solar power business	180,050	-	18,005	100.00 %	179,484	(566)	(566)	
"	Chung Ho Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	467	(33)	(33)	
"	Chung Yen Energy Integration Co., Ltd.	Taiwan	Solar power business	500	-	50	100.00 %	467	(33)	(33)	
"	TUNG FENG INC.	Taiwan	Solar power business	10	-	1	100.00 %	10	-	-	(Note 4)
Fina Finance & Trading Co., Ltd.	Chailease Consumer Finance Co., Ltd.	Taiwan	Factoring, trading-in, management, and valuation on accounts receivable; installment sales; financial instrument	4,152,436	2,652,436	309,434	100.00 %	5,503,085	307,995	307,995	
"	Chailease Credit Services Co., Ltd.	Taiwan	Installment sales and leasing	10,101	10,101	1,000	100.00 %	10,228	169	169	
Chailease Consumer Finance Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	3,300,000	1,800,000	-	- %	3,632,258	150,793	150,793	(Note 5)
Chailease Specialty Finance Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	1,500,000	1,500,000	-	- %	1,577,820	77,820	77,820	(Note 6)
Chailease Credit Services Co., Ltd.	Chuang Ju Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	-	-	(Note 5)
Chailease Cloud Service Co., Ltd.	Sing Chuang Limited Partnership	Taiwan	Installment sales and leasing	10	10	-	- %	10	-	-	(Note 6)
Chailease International Company (Hong Kong) Limited	PT Chailease Indosurya Finance	Indonesia	Financing	234,000	234,000	1,125,000	75.00 %	230,680	(6,216)	(4,662)	
"	Chailease Management Consulting Co., Limited	Hong Kong	Consulting	1,912	-	-	100.00 %	2,835	934	934	

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Investor company	Investee company	Location	Main businesses and products	Original investment amount		Balance as of June 30, 2020			Net income (losses) of the investee	Share of profits/losses of investee	Note
				June 30, 2020	December 31, 2019	Shares/Units (In thousands)	Percentage of ownership	Carrying value			
Chailease JLK Capital Co., Ltd.	Asia Sermkij Leasing Public Co., Ltd. and its subsidiaries	Thailand	Installment sales of automobiles	94,613	-	5,276	1.50 %	75,717	411,616	933	

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

Note 2: Apex Credit Solutions Inc. was merged by Chailease Consumer Financial Co., Ltd. on June 15, 2020.

Note 3: Chung Hung Corp. was liquidated on May 27, 2020.

Note 4: Chailease Finance Co., Ltd. signed the equity transfer agreement with TUNG FENG INC.. on June 1, 2020 but has yet to make the payment as of June 30, 2020.

Note 5: Chailease Consumer Financial Co., Ltd. is the limited partner, and Chailease Credit Services Co., Ltd. is the general partner.

Note 6: Chailease Specialty Financial Co., Ltd. is the limited partner, and Chailease Cloud Services Co., Ltd. is the general partner.

(c) Information on investment in Mainland China:

1.Related information on investment in Mainland China:

Name of the Investee Company	Principal Business Activities	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2020	Net Income (Losses) of the Investee	Percentage of Ownership	Share of profits/losses (Note 2)	Carrying Amount as of June 30, 2020	Accumulated Inward Remittance of Earnings as of June 30, 2020
					Outflow	Inflow						
Chailease International Finance Corporation	Leasing	10,446,960	(2)	-	-	-	-	4,072,405	97.85 %	3,984,848	31,787,421	3,051,890
Chailease Finance International Corp.	Leasing	1,777,800	(2)	-	-	-	-	418,954	98.39 %	412,209	4,545,710	-
Chailease International Corp.	Trading	838,200	(2)	-	-	-	-	222,418	97.85 %	217,636	2,754,661	-
Jirong Real Estate Co., Ltd.	House property leasing and management	712,470	(2)	-	-	-	-	6,597	97.85 %	6,455	753,377	-
DMC Energy Management Services (Shenzhen) Co., Ltd.	Environmental business	104,775	(2)	-	-	-	-	2,490	19.57 %	297	19,273	-
Chailease International Commercial Factoring Corporation	Factoring	209,550	(2)	-	-	-	-	348	97.85 %	341	205,380	-

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

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

Note 2: Investment gains and losses were recognized based on the financial reports reviewed by the Taiwan Parent Company's certified public accountants.

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

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

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

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

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

3.Significant transactions:

The aforementioned inter company transaction have been eliminated upon consolidation for the six months ended June 30, 2020, please refer to Note (13) (a).

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

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(14) Segment Information

Operating segments financial information:

For the three months ended June 30, 2020						
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 7,339,806	5,319,717	1,555,983	83,414	-	14,298,920
Intersegment revenues	351,969	28,646	133,989	19,250	(533,854)	-
Total revenue	\$ 7,691,775	5,348,363	1,689,972	102,664	(533,854)	14,298,920
Reportable segment profit or loss	\$ 2,278,589	1,946,009	329,795	(418,544)	-	4,135,849
For the three months ended June 30, 2019						
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 6,262,576	6,618,682	1,591,362	101,257	-	14,573,877
Intersegment revenues	317,007	20,191	204,658	21,681	(563,537)	-
Total revenue	\$ 6,579,583	6,638,873	1,796,020	122,938	(563,537)	14,573,877
Reportable segment profit or loss	\$ 1,911,298	1,940,171	297,416	11,189	-	4,160,074
For the six months ended June 30, 2020						
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 14,373,645	10,458,801	3,222,805	186,186	-	28,241,437
Intersegment revenues	711,674	64,002	185,996	41,969	(1,003,641)	-
Total revenue	\$ 15,085,319	10,522,803	3,408,801	228,155	(1,003,641)	28,241,437
Reportable segment profit or loss	\$ 4,440,713	3,902,981	678,284	(786,082)	-	8,235,896
For the six months ended June 30, 2019						
	Taiwan	China	ASEAN	Others	Elimination	Total
Revenue						
Revenue from external customers	\$ 12,082,275	12,193,120	3,000,057	194,150	-	27,469,602
Intersegment revenues	620,885	40,420	241,469	41,420	(944,194)	-
Total revenue	\$ 12,703,160	12,233,540	3,241,526	235,570	(944,194)	27,469,602
Reportable segment profit or loss	\$ 3,667,839	3,558,825	574,747	54,082	-	7,855,493