

**PARTNERSHIP
FOR SUCCESS**

2017



中華開發金控
CHINA DEVELOPMENT FINANCIAL



2017

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Words from Management



Chairman Chia-Juch Chang

The pace of global economic recovery picked up in 2017, with commodity prices up substantially and financial markets performing strongly. Monetary policies were on pace to return to normalcy as global inflation and interest rates gradually trended up. The US, in particular, saw a relatively robust economy, with continued expansion in job and housing markets as well as a steady rebound in consumption and inflation, which prompted the Fed to begin policy normalization. In the eurozone, overall political/ economic systemic risk eased, driven by growing consumption and foreign trade, while quantitative easing was expected to phase out amid improving employment and economic recovery. In China, stabilizing economic growth coincided with industrial transitions and economic structural adjustments, while Taiwan, benefitting from the global economic recovery, witnessed economic growth increase to 2.84% in 2017. With investors returning to the market, the Taiex saw both trading volume and prices rise. According to Taiwan Securities Association, the combined average daily turnover of the Taiex and the OTC reached NT\$ 138 billion in 2017, up 39% YoY, and the Taiex climbed from 9,253 points to close at 10,643 points, up around 15%.

In September last year, CDF successfully purchased 25.33% of China Life Insurance Company (China Life) to become the largest shareholder, formally extending its reach into four areas of business: life insurance, commercial banking, securities, and venture capital/ private equity. Driven by the robust performance of global financial markets and growing business in terms of volume and momentum, CDF registered a consolidated net profit of NT\$ 12.37 billion in 2017 (including non-controlling interests of NT\$ 670 million), for EPS of NT\$ 0.80, with consolidated ROE of 5.94%. Highlights of the company's core businesses are outlined below:

1. Commercial Banking

In 2017, KGI Bank continued to derive operating growth from three major drivers: Corporate Banking, Consumer Banking and Global Markets, complemented by a digital banking platform which facilitates professional development of financial technology (FinTech) platforms and big data applications to expand its client base. KGI Bank also leveraged group resources to increase product penetration and enhance business synergies. In addition, the bank implemented business mix adjustments, operations process improvement and IT systems optimization in an effort to enhance existing business strength, while actively promoting cooperation opportunities in innovative technology and pursuing growth opportunities in new channels. Below are highlights of key KGI Bank businesses:

(1) Corporate Banking. The bank continued to provide well-tailored project financing services to corporate clients, strengthen CDF's cultivation of local and overseas markets and actively cross-sell financial planning services to business owners and companies to help put idle capital to use. The bank plans to expand lending base as well as optimizing profit structure through participating in syndicated loans, attracts corporate customers with supply chain trade and cash management' needs and keep abreast of overseas private equity funds as well as global investment banks' sponsorship for leverage buy-out transactions. (2) Consumer Banking. The bank actively expanded sales channels and product types, optimized service flows and built a client base with sustainably robust growth through more meticulous customer relationship management and leveraging the group's cross-selling resources. The wealth management business launched a new membership program in 2017 to focus on enhancing service quality and establishing a closer client relationship through customer segmentation and upgrade of customer rights and interests. (3) Global Markets. The bank continued to expand its bond and equity investments locally and globally and pursue stable gains while diversifying market volatility risks by adhering to strict risk management controls and hedging strategies. It also underwrites bonds for local and foreign companies as well as financial institutions and gradually increases its visibility. Moreover, it cooperates with international investment and commercial banks to exchange development trends of various new financial products and provide clients with more comprehensive services covering note and bond underwriting, financial product marketing, private banking and asset management to meet clients' needs for credit and investment products.

2. Securities

Thanks to global economic recovery and enhanced trading momentum in capital markets, the overall environment favored the securities business, helping maintain KGI Securities' leadership in brokerage, investment banking, warrant trading and bond underwriting. In response to the structural change of Taix investors and the wealth management needs of new-generation investors, securities brokers were advised to transition to financial consultants. In addition, customer relationship management and digital technology were incorporated in the introduction of new products to stimulate demand for trading services and wealth management planning. In the future, KGI Securities will continue to incorporate FinTech and use big data analysis to conduct targeted marketing, providing differentiated services with customer segmentation techniques. Regarding overseas development, Hong Kong serves as the center of overseas deployment, linking Greater China and the ASEAN. Platforms of international financial products were established to grab demand for wealth management and opportunities from market volatility in the Asia-Pacific. Through close cooperation between businesses across platforms, offering diverse product lines domestically and globally and with the support of IT systems, the goal of developing a regional wealth management business is being achieved.

3. Venture Capital / Private Equity

The continued rally in capital markets has boosted the value of our investment positions and favored our divestment plans. In 2017, two third-party funds — the Innovation Fund and Growth Fund — were established. Combining the six existing funds — the Creative Fund, Healthcare Fund, Hua Nan Fund, Hua Dong Fund, US dollar-denominated Asia Partners Fund and Ali Fund — total assets under management reached NT\$ 37.7 billion at year-end 2017, with NT\$18.7 billion being deployed. In addition to these eight funds, a new renminbi-denominated fund is scheduled for launch this year (2018), while another US dollar-denominated fund is in the pipeline.

In terms of credit ratings, Taiwan Ratings affirmed CDF a long-term rating of “twA+,” a short-term rating of “twA-1,” and a “Stable” outlook in November 2017. These ratings were in recognition of the group's strong capitalization, established franchise in Taiwan's corporate banking business and securities industry, and adequate business diversification.

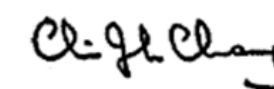
Looking into 2018, the economies of Europe and the US are expected to extend solid recovery, while China will exercise cautious controls amid reforms and stable economic growth. Taiwan's economy also appears healthy, as emerging markets benefit from warming demand and rising commodity prices, both positive for global economic performance. However, potential volatility in financial markets as well as global political and economic risks can't be ignored. In response to the ever-changing landscape of financial markets, KGI Bank will continue to strengthen cross-selling activities by leveraging group resources to expand its customer base, maintain solid growth momentum in lending, enhance its syndicated loan/ mortgage/ SME lending business, actively develop digital banking and build quality service platforms to expand business through overseas deployment and horizontal alliances. KGI Securities will expand its wealth management business by integrating digital technology to optimize services, actively utilize cross-selling synergies and product innovation capability of group companies, continue to diversify trading strategies to

expand profit sources and upgrade its trading systems to gain a competitive edge in the market, and capitalize on its Asia-Pacific regional platform to gain presence in the international investment banking market. And last but not least, the private equity /venture capital entity will strive to monetize its assets, strengthen the asset management business, actively promote financial advisory business and offer customized investment advisory services for institutional investors to create diversified and stable sources of returns.

In the realm of corporate social responsibility, CDF has incorporated the concept into all subsidiaries. KGI Bank offers environmental, social and governance (ESG) programs with its Flexible Card by extending fee discounts and preferential interest rates to vocational license holders, entrepreneurs raising funds through crowdfunding websites and low-income families. In an effort to support the government's promotion of green finance policies, KGI Securities was the lead underwriter of all three domestic corporate green bonds issued in 2017, with an amount of NT\$ 14.1 billion. In recent years, CDF has committed to promoting green finance initiatives to help alleviate global warming and increase capital market support for a greater number of companies promoting environmental sustainability. All of CDIB Capital Group's investments conform to the six UN Principles for Responsible Investment (PRI) as CDIB Capital Group strives to fulfill the company's stewardship as an institutional investor with a continued focus on ESG investing. Moving ahead, CDF will strive to improve ESG performance and further strengthen corporate governance, making information transparent and readily available with equitable access. CDF will also, as always, adhere to a corporate culture of good faith management in order to enhance shareholder returns and to reach its goal of corporate sustainability management.

In closing, we'd like to wish our shareholders good health and all possible success.

Chairman



Launching A New Era With Four Balanced Profit Drivers

CDF has now evolved into a full-fledged business group of four key earnings drivers, comprising life insurance, banking, securities and venture capital/ private equity. With four business arms coming together as one, CDF subsidiaries' profitability will benefit from the synergies, further boosting EPS and ROE.

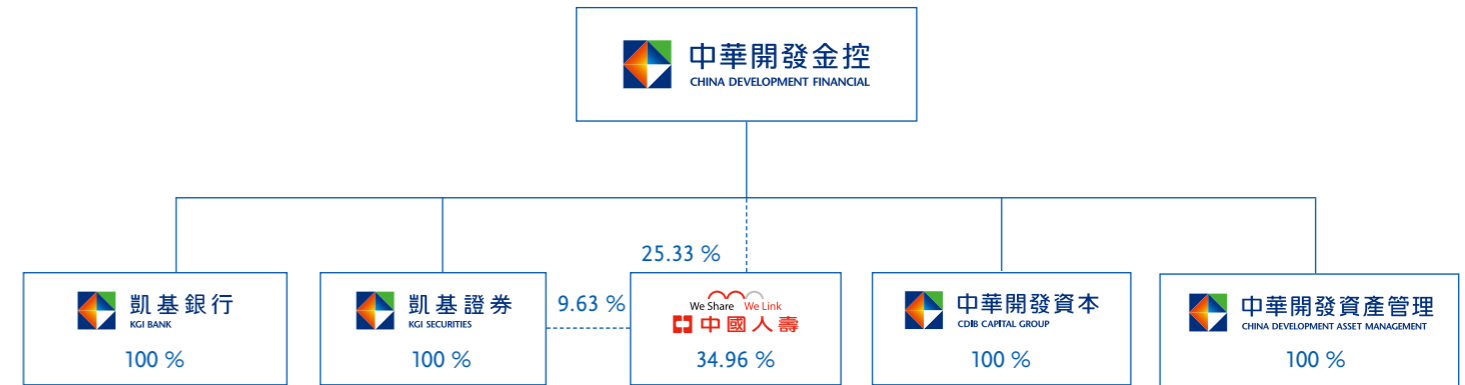
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Organization Chart – Main Subsidiaries



Domestic Subsidiaries

- CDC Finance & Leasing Co.

Overseas Subsidiaries

- CDIB International Leasing Co.

Domestic Subsidiaries

- KGI Futures Co. Ltd.
- KGI Securities Investment Advisory Co. Ltd.
- KGI Securities Investment Trust Co. Ltd.
- KGI Insurance Brokers Co. Ltd.
- KGI Venture Capital Co. Ltd.
- Global Securities Finance Co. Ltd.

Overseas Subsidiaries

- Mainland China
 - KGI Investments Advisory (Shanghai) Co. Ltd
 - KGI Asia Limited Shanghai Representative office
 - KGI Asia Limited Shenzhen Representative office
- Hong Kong
 - KGI Asia Ltd.
 - KGI Futures (Hong Kong) Ltd.
 - KGI Capital Asia Ltd.
 - KGI Asset Management Ltd.
- Singapore
 - KGI Securities (Singapore) Pte. Ltd.
- Indonesia
 - PT KGI Sekuritas Indonesia

Domestic Subsidiaries

- CDIB Capital Management Corp.
- CDIB Capital Innovation Advisors Corp.

Overseas Subsidiaries

- CDIB Capital International Corp.
- CDIB Capital International (Hong Kong) Corp. Ltd.
- CDIB Capital International (USA) Corp.
- CDIB Capital International (Korea) Corp.
- CDIB Private Equity (China) Corp.
- CDIB Private Equity (Fujian) Co. Ltd.
- CDIB Yida Private Equity (Kunshan) Co. Ltd.

2-1 China Development Financial

China Development Financial (CDF) was established in 2001 following a share swap managed by China Development Industrial Bank (the former entity of CDIB Capital Group), with China Life, KGI Bank, KGI Securities, KGI Bank and CDIB Capital Group as its key subsidiaries.

China Life – The Most Trustworthy Risk Management Expert

China Life holds a dedicated vision of maximizing benefits and value for the insured, shareholders, employees and the society, as well as becoming the most trusted life insurer in Taiwan. China Life places a premium on the rights of the policyholders, develops a variety of products to meet clients' demands, offers customized and considerate services, applies state-of-the-art FinTech, and promotes micro-insurance policies to serve economically-disadvantaged citizens. China Life has always been pragmatic, professional, and reliable. Not only has China Life consistently improved corporate governance and internal controls, the company also played a crucial role in social stability to fulfill the social responsibilities. In the future, China Life will hold on to the core spirit of 'We Share, We Link' and operate the company with forward-looking thinking, strong financial solvency, prudent corporate governance and risk management mechanisms. China Life works with interested parties to create shared value, lives up to the vision of business sustainability, and aspires to become a model enterprise in the life insurance sector.

KGI Bank – Offering a Full Range of Quality Commercial Banking Services

KGI Bank's operations include deposits/lending, credit cards, wealth management, consumer banking, corporate banking, global markets, and foreign exchange transactions. KGI Bank has actively launched a variety of innovative products and services to keep pace with the digital era in recent years, providing swift services from traditional services to internet- and mobile device-based platforms at customers' fingertips. KGI Bank will continue to differentiate and diversify its financial services to earn the support and trust of customers, aiming to become a top bank with a local foundation and relentless innovation.

KGI Securities – Market Leadership in Underwriting Business & International Presence

KGI Securities is a market leader in a broad range of areas, including brokerage, wealth management, proprietary trading, underwriting, fixed income and a variety of derivatives products. Not only is KGI Securities the leading brokerage house in Taiwan, it is also ranked number one in the underwriting market. In addition to Taiwan, KGI Securities has a presence in Hong Kong, Thailand, Singapore, and Indonesia. Being one of the first local securities firms to expand abroad enables KGI Securities to benefit from the industry's most well-established overseas presence. Going forward, investment banking, the opening of offshore securities units (OSU), and the joint-ventures in mainland China will be new business opportunities for KGI Securities to capitalize on and accelerate growth as it aspires to become an exceptional investment bank in the Asia-Pacific region.

CDIB Capital Group – Focusing on Core Businesses of Private Equity Investment & Venture Capital Asset Management

CDIB Capital Group, formerly China Development Industrial Bank, was the first private development-oriented financial institution in Taiwan. It has long worked in close partnership with the government to play a pivotal role in supporting Taiwan's industrial development and economic growth through pioneering the local venture capital and investment banking markets. Today, CDIB Capital Group remains the predominant leader in venture capital business in Taiwan, with a market share of 30%. Backed by a wealth of experience supporting Taiwan's industrial development, CDIB Capital Group has been proactively engaged in the administration's call for a structural upgrade in the financial sector by focusing on raising and managing private equity funds in recent years. Looking forward, CDIB Capital Group aims to become one of the best private equity/venture capital asset management companies in the Asia-Pacific region.

Aspiring to Become a Leading Financial Institution in Chinese-speaking Communities

Over the past 50 years, CDF has not only established a close-knit industrial network, but has also been an important driving force in the process of Taiwan's industrial development. Looking forward, CDF will boost its ROE through the four balanced profit drivers of life insurance, banking, securities and venture capital/private equity and continue its commitment to corporate governance and sustainability responsibilities to become a leading financial institution in Chinese-speaking communities.

At year-end 2017, the net worth of CDF was NT\$ 249.2 billion, with a consolidated assets of NT\$ 2,392.5 billion.

2–2 China Life

Founded in 1963, China Life was renamed China Life Insurance Co., Ltd. in 1981 with its headquarter office located on No. 122, Tun Hwa North Road of Taipei City. The common stock of China Life began trading on the Taiwan Stock Exchange in 1995 under the ticker 2823. To provide more comprehensive and prompt services, it also has branch offices and sales staffs throughout the island. Current chairman, Alan Wang, joined China Life as a professional manager. While he drew on the skills and abilities of the employees, he also brought in managers from outside to overhaul the risk management systems in an unprecedented move for China Life. China Life has always insisted in communicating with shareholders with integrity in business and management. This is not only China Life's ongoing promise to shareholders, customers, employees and staffs, but also the key force that drives the company to grow and management to perform well, making it a role model in the insurance industry.

To expand its business scope, China Life acquired Winterthur Taiwan from AXA in 2007. In 2009, it acquired PCA Life's major assets and liabilities from UK-based Prudential Life. Furthermore, China Life acquired part of the traditional life insurance policies from Allianz Taiwan Life Insurance Co., a subsidiary of German insurer Allianz SE in 2017. The acquisition was approved by the Extraordinary General Meeting. In the future, the company will provide the transferred policyholders with complete and excellent services. During the global financial crisis in 2008, China Life did not suffer any asset impairment losses as it did not hold any toxic sub-prime assets. This was widely recognized by investors and the market in general. In addition to consolidating its position in the home market, China Life has been expanding its footprint in China. In 2010, it acquired a 19.9% stake in CCB Life, the insurance subsidiary of China Construction Bank, and supported CCB Life with its industry knowledge, experience and technology. The partnership serves as a solid foundation from which China Life expands its business. China Life's asset size reached the milestone of NT\$ 1 trillion in the first quarter of 2014. China Life has maintained stable growth momentum and has delivered sustainable performance with the capital adequacy ratio (RBC ratio) of 350% at the end of 2017.

China Life is committed to maximizing the benefits and value for policyholders, shareholders, employees, and the society in the hope of becoming the most reliable life insurance company in Taiwan. It cares about policyholders' interests, and thus develops diversified products and provides comprehensive services to meet customers' demands. In response to the trend of financial technology (FinTech), China Life also developed programs for digital transformation, talent cultivation and cross-industry cooperation to ensure the long-term competitiveness of the company. In the future, China Life will uphold the core spirit of "We Share, We Link". By combining a strong, forward-thinking financial position with rigorous corporate governance and risk management systems, China Life will work together with its stakeholders to realize common values and execute our long-term business vision to become a benchmark brand in the life insurance industry.

CDF became the largest shareholder of China Life by acquiring a 25.33% stake on September 13, 2017. At year-end 2017, the net worth of China Life was NT\$ 95.3 billion, with a consolidated assets of NT\$ 1.47 trillion.

2–3 KGI Bank

KGI Bank always puts clients first and aims to provide them with high-quality financial services, including deposits/loans, credit cards, wealth management, consumer banking, corporate finance, financial trading and foreign exchange. The bank has actively launched a variety of innovative products and services to keep pace with the digital era in recent years, providing swift services from traditional services to Internet- and mobile device-based platforms at customers' fingertips.

Since its merger with CDF, the bank has continued maximizing and optimizing its asset portfolio while improving its investment performance to boost ROE with the help of dynamic risk management and valuation volatility minimization. By forging alliances with affiliates, with the resources of CDF group, the bank continues to cultivate customer relationships and generate new business. In order to expand the wealth management business, KGI bank targets on corporate payroll transaction, securities & mortgage accounts, and insurance & mutual fund clients. KGI Bank also focuses on strengthening its capability of attracting NTD or other foreign currency deposits in order to stabilize capital sources and by creating a unique online banking platform via selective cross-industry alliances to effectively extend the reach of its financial services.

As many Taiwanese enterprises have expanded into or migrated to mainland China and the Taiwanese government's encouragement to many business owners towards deploying business in Southeast Asia, KGI Bank plans to establish branches in these overseas regions on the back of its niche operations and network advantages, and eventually develop local wealth management and corporate finance businesses with an edge. Leveraging its existing advantages in consumer banking and financial leasing with local JV partners' networks, KGI bank plans to co-fund "Jiangsu Suyin KGI Consumer Finance" with the Bank of Jiangsu in mainland China. As it successfully taps into the new market, KGI Bank will start from the consumer banking segment to cultivate a customer base in China. The co-founded consumer finance company shall cultivate customer base and lay the foundation of expanding consumer finance business in Greater China region.

In 2018, KGI Bank will continue to differentiate and diversify its financial services to earn the support and trust of customers, aiming to become a top-notch bank with a local foundation and relentless innovation.

At year-end 2017, the net worth of KGI Bank was NT\$ 61.4 billion, with a consolidated assets of NT\$ 590.1 billion.

2–4 KGI Securities

KGI Securities, a wholly-owned subsidiary of China Development Financial (CDF), has a complete portfolio of securities businesses covering brokerage, wealth management, proprietary trading, underwriting, fixed income and a variety of derivatives products. The brokerage business, despite already being a runner-up by market share, has been actively pivoting into a professional wealth management service provider by combining digital technology and client clustering techniques in order to meet the trend of investors' rising demands for differentiated wealth management in recent years. Moreover, benefitting from the synergy and close partnership with CDIB Capital Group (also a wholly-owned subsidiary of CDF) in providing financing services and principal investments for corporate clients in capital markets, KGI Securities outperforms peers in various investment banking businesses such as IPO, follow-on offering and financial advisory, and has been the top underwriter of financial instruments by market share for years. KGI Securities is also a market leader in fixed income, derivatives and institutional brokerage, and has been frequently recognized by prestigious international financial media and the competent authorities for its capabilities to innovate and its excellent service quality. As for the proprietary trading of equities and bonds, KGI Securities has consistently performed well given its balance of returns and risk management.

By integrating the resources of its local subsidiaries, such as KGI Futures, KGI Securities Investment Trust, KGI Securities Investment Advisory, KGI Insurance Brokers, KGI Venture Capital, and Global Securities Finance, KGI Securities has extended its business horizons to futures trading, mutual funds, asset management, insurance products, securities borrowing and lending and private equity/venture capital. KGI Securities is also known for its wide deployment in overseas regional markets, which contributes stable earnings. By leveraging its regional business platform, which connects the Taiwan, Hong Kong, Thailand, Singapore, Indonesia and mainland China markets, KGI Securities is well positioned to capture the latest global economic trends, and is thus able to provide the most complete product lines and investment services to customers at home and abroad, making it one of the most internationally recognized market players.

Backed by the abundant resources of its parent company CDF and solid relationships with multiple industries, KGI Securities demonstrates outstanding operating performance and stable profitability. Going forward, KGI Securities will continue its business transformations, make good use of the distribution channels of CDF and maintain its leading position in the market to ensure sustainable profit growth worldwide.

At year-end 2017, the net worth of KGI Securities was NT\$ 61.5 billion, with a consolidated assets of NT\$ 276.9 billion.

2–5 CDIB Capital Group

CDIB Capital Group, formerly China Development Corporation and later China Development Industrial Bank, was the first private development-oriented financial institution in Taiwan. It was established in 1959 through the coordinating efforts of the Economic Stabilization Committee of the Executive Yuan, the World Bank and private funding. In 1999, it was restructured to become an industrial bank. In its more than 50 years of history, CDIB Capital Group has concentrated on the principal investment and corporate banking business. It has invested in and provided financial services to domestic and overseas clients in over 100 industries, and it continues to play a critical role in Taiwan's venture capital market.

CDIB Capital Group has long worked in close partnership with the Taiwanese government to support the nation's economic growth. It has not only made a significant contribution to the nation's economic and industrial development, but has also played the role as a pioneer among local investment banks. The evolution of Taiwan's industrial structure is neatly encapsulated in the changes of CDIB Capital Group's investment and credit portfolio. CDIB Capital Group's invested in traditional textiles and petrochemicals industries in the 60s and 70s; it shifted its focus in the 80s and 90s to foster high-tech industries, such as the electronics and information technology industry, and the semiconductor industry. From 2000, CDIB Capital Group's has been actively involved in industries such as optoelectronics, alternative energy, medical and healthcare as well as consumer goods. The investment history of CDIB Capital Group's virtually reflects well the history of Taiwanese industrial and economic development.

CDIB Capital Group, formerly China Development Industrial Bank, has on May 1, 2015, transferred its corporate banking and global markets business to KGI Bank. Upon completion of the business transfer, CDIB Capital Group has delved right into the private equity / venture capital asset management businesses in Taiwan, mainland China, and Asia-Pacific region, generating management fee. Moreover, as to adapt in advance to future financial market trends, China Development Industrial Bank has, on March 15 2017, transformed into CDIB Capital Group, which will focus on raising and managing private equity funds and strive to expand its asset management business. It's our hope that the joint efforts of our team of professionals will help CDIB Capital Group become one of the best private equity / venture capital asset management companies in Asia-Pacific region.

At year-end 2017, the net worth of CDIB Capital Group was NT\$ 53.1 billion, and the consolidated assets were NT\$ 55.3 billion.

Innovation for Excellence

Enhancing product innovation ability is the highest requirement in the digital era. CDF and its subsidiaries continuously strive to improve their professionalism to provide clients with the most innovative, high-quality services and products.

3

Our Expertise

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3-1 China Life

China Life provides a wide range of life insurance products and related services, including individual life insurance, individual injury insurance, individual health insurance, group insurance, annuities, and investment-linked insurance. Meanwhile, the company manages funds according to regulatory requirements for investment in securities, real estate, overseas markets, loans, etc.

Item	Description
Individual Life Insurance	Individual life insurance includes endowment, pure endowment, term life, and whole life insurance, providing coverage for survival, death, and disability benefits during the policy period.
Individual Injury Insurance	Individual injury insurance provides coverage for accidental injury, disability, and death.
Individual Health Insurance	Individual health insurance plans provide compensation for medical and surgical expenses due to illness or accidents.
Interest Sensitive Annuities	Interest sensitive annuities are a tool for wealth management and retirement plans for policyholders. Cash value of annuities will be accumulated based on a declared rate during the deferral period, while annuities will be paid at the beginning of payment periods.
Annuities	Annuities are a tool for wealth management and retirement plans for policyholders. Cash value of annuities will be accumulated during the deferral period, while annuities with guaranteed amount or tenors will be paid at the beginning of payment periods.
Travel Insurance	Travel insurance provides coverage for unexpected illness or accidental death while traveling.
Investment-Linked Insurance	Investment-linked insurance plans combine investment and protection, with a wide range of investment options.
Group Insurance	Group insurance plans provide term-life, injury insurance, or health insurance for employees of enterprises or members of associations.
Universal Life	Universal life insurance plan provides the flexibility of premium payment and the insured amount according to a policyholder's needs. Furthermore policyholders can use the policy value reserve for their retirement plans and wealth management.

Revenue Distribution in the Past Two Years

Unit : NT\$ million

Item	2016		2017	
	Revenues	%	Revenues	%
Personal Insurance	141,619	74	156,137	76
Personal Accident Insurance	2,313	1	2,499	1
Personal Health Insurance	17,198	9	18,434	9
Group Insurance	1,842	1	2,227	1
Annuity Insurance	18,701	10	15,479	7
Investment Linked	9,467	5	11,664	6
Total Premium	191,139	100	206,440	100

Product Strategy

China Life helps its clients strengthen their risk management and financial planning with life, retirement, accident, medical, and long-term care insurance through its diverse distribution channels. Facing an aging society and low birthrate, we provide a diverse range of products to our clients, including different types of protection and savings products, single and regular payment options, and policies in different currencies. We also provide a wide range of protection products and asset management services to overseas clients through our Offshore Insurance Units (OIU). Furthermore, we provide micro-insurance products to disadvantaged communities to ensure basic protection as part of our social responsibility. These are highlights of China Life's 2017 market and product strategy.

- Working to promote sustainability and drive sales of regular premium insurance products to increase the company's embedded value.
- Continuing to promote regular-paid investment-linked life insurance and annuities with added medical and accident protection; and strengthening the platform for investment-linked products to offer a wide range of asset allocation options that fulfill clients' financial objectives.
- Providing protection products and pension products to fulfill clients' requirements for asset allocation.
- Developing interest-sensitive products with prudent asset and liability management and risk controls to meet market demand.
- Focusing on the issues of aging population and longer life extension, and developing comprehensive health insurance products to fulfill the market demand for retirement plans, medical care, long-term care, spillover-effect life insurance, and protection coverage of critical illness, illness, and accidental disability.

- Promoting group insurance and personal accident insurance to meet policyholders' diverse needs for protection. Providing basic protection to disadvantaged communities with individual or group accident microinsurance products as part of our corporate social responsibility duty.
- Promoting small-amount life insurance and providing it to citizens with a more affordable premium in order to increase the average assured amount of life insurance.
- In response to the wave of digitalization, China Life actively develops FinTech and Insurtech, including big data analysis and forecasting models of claims, underwriting, and marketing, in order to achieve the goals of precise service and marketing.
- Promoting our Offshore Insurance Unit (OIU) business to meet overseas customers' need to purchase insurance.

Distribution Channel Strategy

We operate through six main distribution channels: agent, bancassurance, brokers, financial services, group insurance and e-commerce. Insurance products developed by our highly professional and experienced product team not only match the characteristics of the particular distribution channels that they are marketed through, but also offer features tailored to customer needs.

We develop diverse distribution channels for the long term, including tied agents, bancassurance, brokers, financial services, group insurance and e-commerce. We use a balanced strategy among the six major channels, and promote customized products that match the characteristics of the channels. Meanwhile, we are moving towards digitalization and mobilization to enhance our competitiveness. We aim to fulfill our clients' diverse demands for investment, savings, protection and healthcare, creating a win-win situation for both policyholders and the company.

We have around 12,000 agents currently (including office staff). Going forward, we will continue our efforts to improve the productivity of the insurance agents and to strengthen organizational capability. In terms of our product strategy, we focus on assisting our clients in planning "tailored-made" insurance and protection programs. Meanwhile, our latest digitalization efforts have enabled our sales agents to better communicate with clients, resulting in faster, and more efficient services to enhance overall satisfaction and market competitiveness.

According to the characteristics of bancassurance channels, major products give priority to retirement savings and asset accumulation. In addition, we continue to promote regular-paid insurance products and healthcare insurance products in order to diversify asset allocation for bank clients. Meanwhile, we assist banks in developing the wealth management market to increase the insured amount for our clients' insurance and protection. In response to the coming of the digital financial era, we will actively work with banks to develop financial technologies to increase operational efficiency.

In the brokerage channel, we focus on expanding market share, and keep promoting regular-paid products and providing a wide range of products and services to enhance long-term business and profits. At the same time, we will also work closely with brokerage firms to keep sales performance stable.

Our financial services team works to cultivate long-term relationships with high net worth clients and develop new clients, providing a variety of products and multi-currency choices to fulfill their demands for asset allocation. We actively develop digital marketing and digital service tools to support high net worth clients to monitor the movement of asset values and manage portfolios with diverse assets.

We provide corporate clients with comprehensive group insurance solutions through our group insurance channel. We continue to expand our business and services in this field, and provide a wide range of products and access channels for corporate staffs and their family in order to enhance customer satisfaction.

The company will develop the e-commerce channel in line with the relaxation of government laws and regulations, including expanding the product types sold online such as small-amount life insurance, also increasing the assured amount of travel insurance. We aim to seize the market opportunity of today's young generation. Through providing a variety of products step by step, we can precisely predict the demands of our customers and actively create marketing opportunities. We will also continue to optimize our E-Commerce service platform and strengthen the system and administrative effectiveness in order to build a highly efficient business model.

Competitive Advantages

A wide range of products, considerate after-sale service, and our operating strength enable China Life to provide customers with complete and reliable insurance planning.

- China Life develops diversified distribution channels and provides life insurance policies denominated in multicurrency to meet the customers' demand for asset allocation. The company continues to deepen the competitiveness of Insurtech and promote e-commerce in line with the governing laws and regulations. In order to actively expand the market of young generations, the company launches diversified online life insurance products with a convenient payment mechanism.
- China Life was certificated the "BS10012: 2017 Personal Information Management System (PIMS)" in 2017. The company is one of the first life insurance companies in Taiwan to obtain the new version of the personal information management system certification. Through the mechanism in line with international standards and trends, the company can provide clients with safe-guarantee financial services.
- China Life values the importance of customer experience and continues to optimize the after-sales service process. We launched a series of home service projects, including "pharmacist go to house service," "go to house to assist claims," "go to house to receive and deliver applications" and other caring services. We have also actively promoted the upgrade of home service for elders and disadvantaged groups and expanded the scope of after-sales services to make it more convenient for clients to apply for life insurance, renew policies, and make claims.
- China Life seizes the opportunities in mainland China through equity investment, CCB Life, which has delivered remarkable performance results in the past years. In 2017, CCB Life continues to expand business scope and shift its product focus to high-value policies. CCB Life's continuous growth in profitability and asset size has laid a solid foundation for the long-term development and stock market listing.
- We are one of the few Taiwanese life insurers with RBC ratio about 350%. This is supported by our strong financial position and rigorous oversight of corporate governance and risk management.

3–2 KGI Bank

Corporate Banking

KGI Bank's Corporate Banking Division has established a comprehensive client service network, aiming to help major clients build business relationships with upstream, midstream and downstream suppliers. The division provides various financial services to clients with a focus on project finance and trade-related products.

Serving more than 1,000 corporations and conglomerates, the Corporate Banking Division continues to provide total financial solutions in response to market changes and meet the financing needs of clients. It plays the role of financial advisor for corporations on the back of its top-notch products and services. In addition, the division utilizes its expertise and long-term experience in the industry, providing syndicated loans to support capital expenditure and working capital needs, as well as project financing. Supported by substantive resources, KGI Bank competes with other commercial banks via differentiation and aggressive expansion in the global market.

◆ Industrial Banking

KGI Bank offers comprehensive product lines, including credit, foreign exchange, cash management and trade finance services to support large corporate clients of various sectors, such as consumer goods, industrial, electronics, semiconductor and others.

◆ Institutional Banking

KGI Bank aims to deliver comprehensive products and services to domestic and international financial institutions and their affiliated companies.

◆ Banking for Greater China

In the wake of globalization and clients' business expansion in Greater China, KGI Bank has developed an extensive platform in the Greater China region to offer customized solutions and financial-market services to institutional clients.

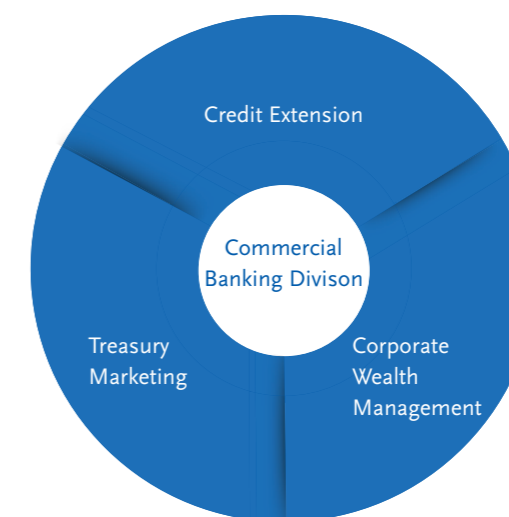
◆ Project Finance

KGI Bank is recognized as a market leader in various types of project finance, with comprehensive experience and a proven track record in financing power plants, industrial parks, factories and machinery as well as leverage buy-outs (LBOs). This is complemented by extensive services for providing associated investment, leasing, trust, advisory and syndicated loans.

Commercial Banking

The Commercial Banking Division offers corporate clients a full range of financial product services and diverse funding channels. Each client's financial product portfolio is tailor-made. KGI bank helps clients maintain solid operations and stable growth. By focusing on clients and trade-oriented products, tracking funds flow and bringing in non-interest income, the division provides hedging needs with hedging tools linked to forex, interest rates and commodities, along with structured products.

Key Products and Services of Commercial Banking Division



◆ Credit Extensions

Targeting large private companies and their international trading business, KGI Bank mainly provides short-term loans for working capital and medium-term syndicated or secured loans with a tenor of less than five years. Besides credit, the bank also offers comprehensive products/services for foreign exchange, cash management and trade finance.

◆ Treasury Marketing

Via inter-departmental cooperation, KGI Bank offers customized products that are demand-oriented to fit clients' individual requirements. It provides the best product portfolio based on a client's demands and risk appetite, to assist clients in perfecting capital allocation and risk management.

◆ Corporate Wealth Management

Corporate wealth management services are intended to answer the banking needs of high net-worth corporate clients that require financial services besides funding. With the integrated resources of the financial holding group, KGI Bank offers financial services that include deposits, insurance, mutual funds, bonds, stocks, trust, financial consulting and others, enabling clients to profit from asset allocation and accumulate wealth.

Merchant Banking

KGI Bank's Merchant Banking Division offers two main services to corporate clients: financial advisory and structured finance. To strengthen the bank's competitiveness by differentiating it from other commercial banks, the Merchant Banking Division focuses on the core businesses of financial consultation and loan services, including corporate M&A / spin-off / strategic alliances, industrial cooperation, asset monetization, debt restructuring, equity structure adjustment, private equity fund introduction, acquisition financing and leveraged buy-out (LBO) financing. The division aims to use the aforementioned products to break into the four regional markets of Taiwan, Mainland China, Hong Kong and Macau. It offers comprehensive financial services to the investment partners and corporate clients of KGI Bank and CDF, in order to meet clients' diverse needs and enhance the synergies of financial products and services. Ultimately, the aim is to accomplish the full integration of cross-marketing, cross-selling and cross-border operations.

Structured Finance Business

M&A and LBO financing are the key products of the Merchant Banking Division's structured finance business. With rich experience in international capital markets, KGI Bank boasts comprehensive financial advisory services and the ability to benefit from CDF's deep industry knowledge in the Asia-Pacific region and its close-knit private equity fund and investment banking network. As such, the bank targets Asia-Pacific-based clients seeking financing for cross-border M&As, leveraged buyouts and growth capital. In short, the Merchant Banking Division mainly provides the following structured finance services: LBO financing, mezzanine financing, share financing and bridge financing, thus helping clients create value and enhance operating synergy.

Consumer Banking

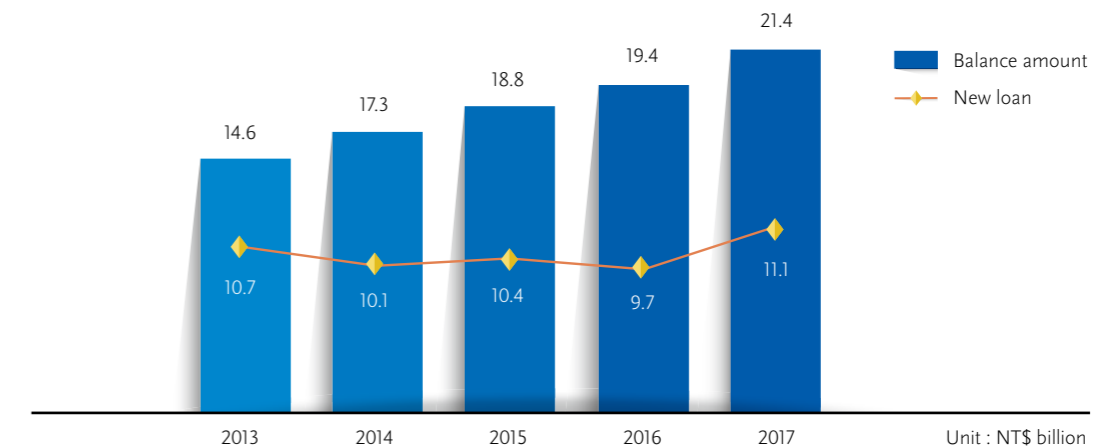
Since its establishment, KGI Bank has focused on personal banking with comprehensive financial services. It continues to develop diversified and customized financial products that cater to various wealth management needs, and teams up with strategic partners to add value to its financial products and improve customer satisfaction. The bank offers comprehensive payment services and lines of credit, including personal loans, cash cards, credit cards and mortgage loans for the flexible use of funds. Meanwhile, differentiated preferential conditions are provided to quality corporate clients. KGI Bank also develops new type of consumer loans such as stock collateral loans for securities and mutual fund clients. With an eye on providing the best serve to clients, the bank has begun to transform and upgrade its banking services in compliance with the Financial Supervisory Commission's (FSC) Bank 3.0 program to keep pace with the digital era. In addition to enhanced and increased online banking options through FinTech, the bank also strives to offer multiple channels, convenience and efficiency for its financial products and services.

Personal Loans

In 2017, the outstanding balance for personal loan has increased 10% YoY to NT\$ 21.4 billion, with its market share rising steadily. The bank continues to provide differentiated and innovative products, such as offering preferential interest rate loans to professionals and quality office workers. It also taps into its corporate banking channels to explore business opportunities in large listed companies, government agencies, and educational institutions. With a segmented pricing strategy, it aims to widen and deepen its operations with different customer groups and the employees of their corporate clients. In addition, KGI Bank has launched a market first-ever descending-rate personal loan product "Juo-jiang-Dai" to fulfill the medium- or long-term funding needs of loyal and well-conducted customers. This product has obtained a "descending interest rate repayment system" patent in Taiwan.

As part of the Bank 3.0 initiative, KGI Bank offers online loan applications to expedite the process and expand into the young customer segment. Also, it continues to partner with various retail channels in integrating mobile payment, mobile internet, e-commerce and social networks to effectively develop its potential customer base.

Steadily Increasing Outstanding Balance in Personal Loan



Credit Cards & Cash Cards

KGI Bank issued the first cash card in Taiwan in 1999 with a long-lasting, dominant market share ever since. Apart from the appeal of flexible fund use, the bank continues to expand the client base via professionalism and cooperation with non-bank entities. In order to implement the environmental, social and governance (ESG) policy, in 2017, the bank launched the “Giving You A Hand” revolving personal loan promotion project which aims to offer financial help to low-income households and other social disadvantaged groups. As of end-2017, KGI Bank commanded over 75% of the cash card market, by far the largest among local banks.

As of year-end 2017, credit cards in circulation were around 450,000, with 43% being active, up from 40% at end-2016, spending per active card rose 6% YoY and the revolving debt was around NT\$ 1.08 billion. The bank introduced a customer service/ internet banking/ mobile banking app in 2017 with consumption/ billing/ installment payment services. Over 20,000 transactions were conducted for a total amount of NT\$ 270 million. The bank has increased the number of stores using the app and raised the overall installment spending amount through seasonal promotion. It also cooperates with specific industries and expands the range of consumption to increase overall spending. Moreover, it has also established a fan page on Facebook to announce special activities and offers in a bid to increase customer loyalty and interaction. As of end-2017, the number of fans neared 80,000, with readership of posted messages topping the target. In order to protect the environment, KGI Bank has aggressively promoted e-billing and is planning mobile billing to reduce paper usage. With regard to mobile payment, the bank has linked its system with Apple Pay and Taiwan Pay to satisfy customer expectations.

Home Mortgage Loans

As of the end of 2017, mortgage loans exceeded NT\$ 60.7 billion, up 32.9% YoY, helping the bank balance its loan mix. With regard to target customers, the bank continues to develop premium clients to ensure loan quality and increase cross selling cooperation with wealth management services. Collateral properties are mostly located in metropolitan areas or regions where home prices are stable. In order to expand business scale, the bank has been optimizing the sales team capability and establishing diversified channels by wholesale lending to homeowners in the same residential project and expanding cooperation with realtors. For existing customers, the bank conducts regular maintenance and reports full repayment internally to retain them. The bank continues to develop new types of home mortgage loans or provide special offers to increase business scale and profitability.

Wealth Management

KGI Bank's wealth management team helps clients evaluate their financial state and provides a financial plan that caters to their needs at different stages of life. Both individuals and families are able to formulate financial goals with the bank's consulting services and financial products.

The bank has 53 branches around Taiwan, with 21 in North Taiwan (i.e. Taipei), 8 in lower north Taiwan (Taoyuan, Hsinchu and Miaoli), 7 in central Taiwan (Taichung and Changhua), 8 in upper south Taiwan (Yunlin, Chiayi and Tainan), 6 in south Taiwan (Kaohsiung and Pingtung) and 3 in east Taiwan (Yilan, Hualien and Taitung). The comprehensive network around the island forms a robust sales platform for wealth management, NT dollar and foreign currency deposits, personal loans, SME business loans and cross-selling. The bank offers personal financial services bundling securities / futures brokerage and payroll accounts to leverage the resources of the parent holding company.

Focus on Customer Relationship Management

KGI Bank seeks to provide individual customers with a thorough financial plan according to their financial state and needs at different stages of life. The bank prioritizes customer needs and maximizes their interests via customer differentiation. Through ever-improving services and the long-term cultivation of customer relationships, it aims to achieve a high rate of customer satisfaction.

Membership Program

In order to provide wealth management customers with better benefits and services, the bank introduced a brand new membership system, which integrated various resources to provide better-than-peers benefits for members. KGI Bank has dedicated a professional financial planning team for customers with assets over NT\$ 10 million. It provides tailor-made wealth management planning and sets up an expert visit mechanism to meet the needs of high-end customers.

In-depth Financial Plan

KGI Bank provides timely investment insight to wealth management clients on the back of its well-planned product lineup as well as the research resources of its holding company. Its financial advisors are equipped with comprehensive financial knowledge, allowing clients to consult about investment, commodity-linked products, personal finance and even taxes. Their personalized advice caters to every client's needs.

Comprehensive Products

KGI Bank has a full line of financial services and products for individuals, including NT dollar and foreign currency deposits, insurance, mutual funds, exchange traded funds (ETF), foreign bonds and structured products in various currencies. In response to changes in the market and customer needs, the bank has solutions that protect the principal and generate income at the same time. In addition, its entrepreneur loans provide small- and medium-sized businesses the operating funds they need and enhance the flexibility of using the funds.

Banking Made More Convenient Through Technology

KGI Bank provides fast and more convenient internet banking and mobile banking services, allowing customers to conduct specific transactions and make inquiries 24-7 worldwide.

Digital Banking

In keeping with digital technology developments and the rise of digital generation, KGI Bank took the lead by establishing the Digital Banking Division in 2014. Thereafter, in order to improve service quality and strengthen the dedication, the Digital Banking Division was divided into FinTech & New Financial Services Division and Corporate and Institutional Banking Product Division in 2017. KGI Bank aims to provide all online and offline financial products and services to institutional and individual clients via digital financial products and mobile e-commerce services. It continually cultivates digital integrated marketing, utilizes big data, and optimizes internet and mobile banking to satisfy customers' mobile living and digital financial needs.

Innovative FinTech

In light of how FinTech is rapidly penetrating and changing consumer's financial lives, KGI Bank has created a new model of cooperation between innovative mobile/internet platform operators and bank innovations through different thinking, namely KGI Inside strategies. This has been done in order to create an optimal customer experience. KGI Bank uses technical capabilities of fragmenting and modularizing financial services into an API-type existence, so as to turn innovative financial services required by new entrepreneurs into components, including collections and payments, cash flow custody, identity authentication, risk control, big-data, online applications, and so on. This is to provide companies with seamless plug-and-play integration with financial services. By using KGI Inside's financial service components in their own innovative services, start-up entrepreneurs can connect with financial services in the simplest and fastest manner possible, which will bring them more business opportunities, lower development costs, and greatly enhance customer experience and adhesion.

Cash Management

Cash management includes account and payment management. Via professional cash management products and services, KGI Bank provides collection, payment, forex exchange and corporate finance networks platforms to large multinational companies, startups and micro enterprises in different industries, significantly increasing their cash management efficiency and reducing operational costs to satisfy the needs for working capital management.

Trade Finance

The trade finance business provides domestic and overseas corporate customers with a comprehensive trade finance platform. By incorporating corporate internet banking and cash management services, it has grown to be a full-fledged fund management platform for trade finance, serving domestic and foreign customers. Meanwhile, the division works with Factors Chain International (FCI) to leverage international re-insurer resources to circumvent corporate client-related bad debt risks. KGI Bank is able to cater to client demands in all regards by optimizing trade finance service products and expanding customer base and market share by capturing clients' onshore and offshore capital-raising and trade finance business opportunities.

Global Markets

The Global Markets division provides domestic and foreign individuals, corporates and financial institutions with cash and derivative financial products including currency, foreign exchange, interest rate, commodity, and equity markets. The scope of business covers financial markets of major nations and economies across the world. Aiming to provide an efficient and competitive service, through long-term close cooperation, KGI Bank has become a close trading partner of leading international banks such as J.P. Morgan, Goldman Sachs, BNP, Bank of America, Societe Generale, Natixis and Credit Agricole SA. These partnerships enable KGI Bank to catch the trend of the latest financial instruments and develop products to become more prices competitive for domestic and foreign individuals, corporations and other financial institutional investors.

Looking forward, the division is working to forge strategic alliances with other top-tier financial institutions worldwide in an effort to expand its product portfolio and earnings sources. It will continue to implement stringent risk management practices and establish investment strategies to seek for absolute returns and achieve the ultimate goal of sustainable profitability.

3–3 KGI Securities

Investment Banking

In 2017, there were a total of 153 underwriting deals completed in Taiwan's equity capital market, down 12% from 173 deals in 2016, including 39 IPOs, 62 rights of offerings (ROs), 49 convertible bonds (CBs) and three preferred stock issuances, for a total underwriting amount of NT\$ 80.6 billion, up 3% from NT\$ 78.6 billion in 2016. Notwithstanding fewer deals YoY, total underwriting amount increased in 2017 due to larger issuance amount of preferred stock and CBs.

In 2017, KGI Securities was ranked No. 1 in the market for the second straight year as it led a total of 28 equity deals, including IPOs, CBs, and ROs, with an underwriting value of NT\$ 22.5 billion. KGI Securities' excellent performance placed it in the market spotlight for the year. The company was ranked "No. 1 in the number of foreign companies recommended and advised to list on the TPEX and Emerging Stock Market on the 10th Anniversary of opening doors to listings of foreign companies" and "No. 2 in the number of companies recommended and advised to list on the TPEX and Emerging Stock Market" by the TPEX. It also received three awards from the TWSE in 2017, including "No. 1 in stock floats," "No. 1 in IPO deals," and "No. 2 in IPO market value".

As for 2017 equity deals, KGI Securities remained committed to exploring niche and distinctive industries. It successfully hosted IPO deals for Samebest, Aslan, Shin Foong, Hi-Lai Foods, Topview, Top Bright, Ocean Alexander, and Novatech. These companies cover a wide range of industries from electronics, education, biotech, and food, to yachts. Ocean Alexander is the first yacht company with its own brand listed on the TWSE. As for SPOs, KGI Securities hosted many well-known companies' fundraising, including ASE, Sigurd, GSC, Chilisin, EVA Air, and YMTTC, for a total of 12 ROs (including one preferred stock issuance) and eight CBs. Overall, KGI Securities was the No. 1 lead manager in Taiwan's capital market in 2017 by both amount and number of deals, helping many firms raise funds in the capital market and securing its leadership position in the underwriting market.

KGI Securities also led the industry in financial advisory services in 2017, completing more than 10 M&As and strategic alliances. These deals included Kaimei's tender offer for TA-I, Qisda's tender offer for PTT, Ralec's shares conversion to Chilisin's, Chilisin's acquisition of Ferroxcube, Delta's tender offer for Vivotek, and NSP's tender offer for GES. KGI Securities also assisted several companies in transforming into investment holding companies, such as Namchow, Genuine C&C, and ACON. Bloomberg statistics show KGI Securities handled the most advisory deals in Taiwan's financial advisory market in 2017.

Going forward, KGI Securities' underwriting and financial advisory business will continue to stay abreast of market trends and expand its market share. The company plans to capitalize on CDF's advantages in corporate finance, leasing and direct investment, in an effort to cultivate business relationships with enterprises on both sides of the Taiwan Strait and provide superior investment banking services to Chinese and Taiwanese clients worldwide.

Brokerage Registry & Transfer Services

KGI Securities is built on a foundation of professional services, as we provide a large number of stock issuing companies and investors with a wide range of top-quality brokerage registry and transfer services.

The turnover rate of the Brokerage Registry and Transfer Services Department is low, and staff is highly experienced and skilled. Internal and external training sessions are offered to team members in order to enhance their professional competence. Moreover, the department emphasizes the sharing of practical, operational experience to hone team members' skills. It is committed to keeping clients updated on recent changes of regulations and securities services operations, and offers seminars in clients' offices to review recent developments.

KGI Securities boasts a spacious and modern office building, a large fireproof vault and state-of-the-art information technology equipment manned by expert personnel that provide stock issuing companies with professional securities services.

The Brokerage Registry and Transfer Services Department places a great deal of importance on helping clients manage the ownership of their companies, protecting investors' data and working closely with clients, thereby maintaining good relationships, while also preserving its solid industry reputation.

KGI Securities is one of Taiwan's market leaders in registry and transfer agent services. By the end of 2017, KGI Securities had acted as a proxy for a total of 325 companies, including 88 listed companies, 52 over-the-counter traded companies, 24 emerging stock market companies and 161 unlisted companies. This represents a total of 4.30 million shareholders, the greatest number handled by any securities firm in Taiwan. By offering an unparalleled professional experience, KGI Securities is the first choice for enterprises requiring registry and transfer services.

Proprietary Trading Business

The proprietary trading business of KGI Securities consists of transactions involving marketable securities on the stock market and OTC for capital gains. Securities traded include those in high-tech, finance, and traditional manufacturing. KGI Securities' proprietary trading team has accumulated a wealth of experience in industry research and equity trading. With a solid knowledge base of market fundamental and technical analysis, our traders stay on top of industry trends. With the support of our research team, the proprietary trading team utilizes division of labor and collaboration to achieve profit targets.

Integration of the Securities and Futures Platforms

Following the internationalization and diversification of Taiwan's securities and futures markets, restrictions have also been relaxed, resulting in an environment favorable to the proprietary trading business. Whether or not a firm can profit from this environment depends on whether it has a cross-border, cross-market trading platform. In 2013, following the merger between KGI Securities and Grand Cathay Securities Corporation (GCSC), the firms have integrated their securities and futures departments' trading staff and systems to build a more efficient and more secure trading platform, greatly improving competitiveness.

Balancing Overseas and Domestic Investment

In the past, the proprietary trading department mainly traded securities listed in Taiwan, which took excessively high single-market concentration risk. After the competent authorities liberalized regulations governing trading in foreign securities, our proprietary trading department increased overseas trading to minimize concentration risk. Our overseas investments now account for a larger proportion of operations, resulting in a better balance between overseas and domestic positions, thus enhancing risk diversification.

Achieving Stable Returns

Traditionally, proprietary traders primarily focus on directional trading strategies. However, maintaining stable profits is difficult under such a strategy, as earnings are solely based on the judgments of individuals. KGI Securities' proprietary trading team has integrated spot and futures resources to establish a new cross-national trading platform, which can be used to build an equity long-short portfolio. As a result, traders can follow changes in the market, assess the pros and cons of markets or instruments, and construct the most promising investment portfolio. Meanwhile, KGI Securities will continue to seek maximum profits from overall investments, all the while keeping risk at acceptable levels.

Fixed Income Business

Amid an extremely competitive environment in 2017, the Fixed Income Department demonstrated a strong and balanced performance in all business areas. The department continued devoting itself to onshore international bond market to provide domestic investors with a variety of fixed income products. Not only issuers from financial sector, but also that from corporates like Telefonica, a Telecom company from Spain, issued its first US dollar-denominated corporate bonds in Taiwan, demonstrating the wide coverage of international issuers by the department. In addition, the Fixed Income Department acts as an active market maker in the secondary bond market, boosting market liquidity. Furthermore, the department also promotes green bonds and has acted as the lead manager for CPC Corporation's and Taiwan Power Company's green bond issuances in 2017, as part of the Taiwan government's Green Finance Action Plan. In order to enrich product lines, the department launched structured products linked to onshore funds, selecting quality targets with good volatility and yield performance, and other financial products that offer better yields.

In 2017, global economic conditions improved, but the global political landscape altered drastically. First, Donald Trump was inaugurated President of the United States and changed the US foreign policy strategy. Second, a number of European countries held general elections during the year. Although the UK prime minister and German chancellor remained unchanged, both countries encountered difficulties in forming a Cabinet. France and Austria elected young prime ministers, and the world anxiously awaited their foreign policies and political initiatives. Facing this tumultuous macro environment, KGI Securities has managed to deliver impressive results in each of its business lines. In 2017, KGI was awarded "Top Investment Bank in Secondary Market in Asian Currency Bonds – Government Bonds (ranked No.1)," "Top Investment Bank in Secondary Market in Asian Currency Bonds – Corporate Bonds (ranked No.1)," and "Top Arrangers – Investors' Choice for Primary Issues in Asian Currency Bond – Corporate Bonds" in Taiwan by the Asset Benchmark Research, and "Outstanding Central Government Bond Market Maker" in 2017 by the Taipei Exchange. More recently, Executive Vice President Alvin Yang, the Head of Fixed Income Department, won the 14th Golden Goblet Award for Outstanding Securities Expertise.

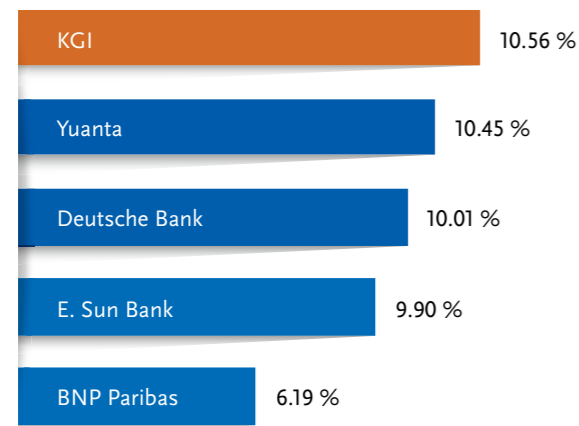
In 2017, KGI ranked first among peers, with a 10.56% market share in NT dollar- and foreign currency-denominated corporate bond/ bank debenture/ international bond underwriting, and ranked third in the local principle guaranteed structured note market in terms of issuance, with 17.02% market share. Also, the convertible bond asset swap business ranked first, with 26.43% market share.

KGI Securities has persistently improved its customer service and expanded its client base by providing customized products to satisfy the varied needs of our clients. It continues to cultivate comprehensive talents and aggressively penetrate financial markets via product R&D and innovation. KGI Securities has maintained close cooperation with large domestic enterprises, providing them with daily bond markets commentaries, as well as weekly market news on various products. It also holds investment seminars and training sessions in timely fashion to supply comprehensive financial market information. Given its extensive underwriting experience and CDF's abundant resources in the Greater China region, KGI Securities is capable of providing all-round financial services and assisting companies in fund-raising in the bond markets.

Going forward, KGI Securities will continue to adhere to its sound management principles. We expect it to maintain its leadership position by providing the best investment advice and products to customers, and by sticking to its core principles of integrity, professionalism and innovation, which will create the most value for its clients and shareholders.

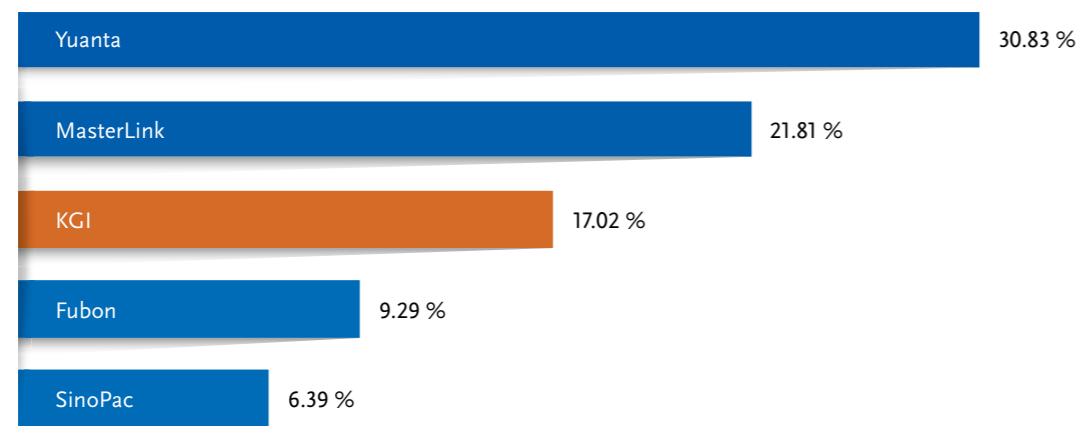
Corporate Bond / Bank Debenture / International Bond Underwriting Market Share in 2017 (%)

Source : Bloomberg



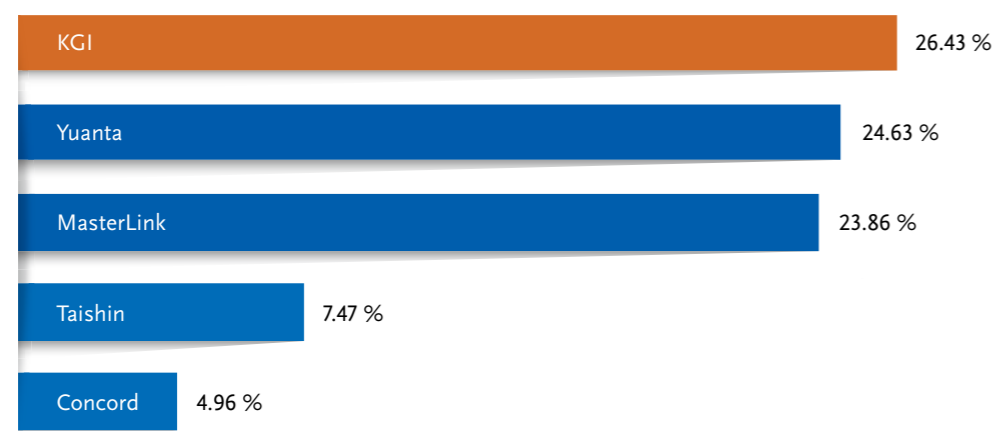
100% Principle Guaranteed Note Market Share in 2017 (%)

Source : Taiwan OTC



Asset Swap (credit side) Outstanding Share in 2017 (%)

Source : Taiwan OTC



Derivatives Business

KGI Securities' spirit of professionalism and innovation spurs us to continually develop new derivatives products for our clients. KGI Securities is a market leader in warrants, structured products, convertible bond asset swaps (CBAS), and equity options. Derivatives personnel, who determine product valuation by using trading modules and research hedging strategies, have had great success in the design and issuance of warrants and structured notes, which is deeply appreciated by clients.

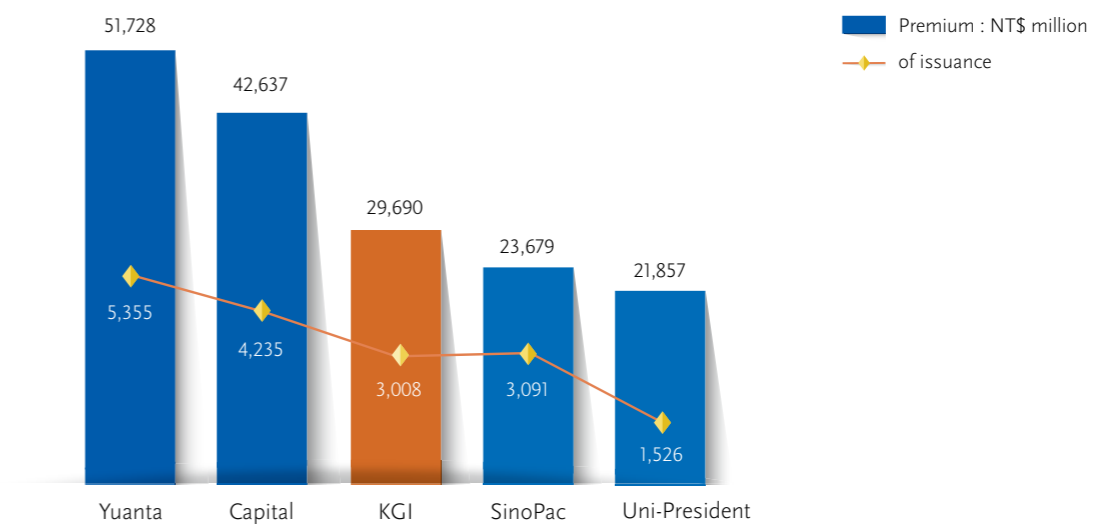
In 2017, both the number and value of warrants issued in Taiwan reached record highs. Through the promotional and market-making efforts of players in the warrant business, the domestic market has boomed. KGI Securities, active in issuing warrants, provides investors a full range of warrants, and as a result, KGI ranked second in warrant trading in 2017. Moreover, KGI Securities has continued to adopt proactive market-making strategies and strengthen market-making system effectiveness and stability, aimed at making warrant pricing more transparent, changes of bids and offers more sensitive, and related trading cost more economical. In recognition of this success, KGI Securities was awarded as "Top Five Warrant Issuers" in Taiwan by TWSE.

Capitalizing on our competitive advantages in financial innovation, our structured product business has also led the market. KGI Securities ranked third in the total notional amount of equity-linked notes (ELN) and CBAS in 2017. Moreover, KGI Securities also led in equity option business, with a market share of close to 60 percent in 2017. Overall, KGI Securities has achieved outstanding results in the derivatives business.

Aiming to continually increase the number of investors and volume of transactions, KGI Securities will strive to improve the warrant market-making system and website, organize various promotional activities and inject more resources into the warrant business. Looking ahead, KGI Securities will continue to establish derivative product platforms in the Asia-Pacific region and provide customers with a more comprehensive range of products, while creating stable profits for the company.

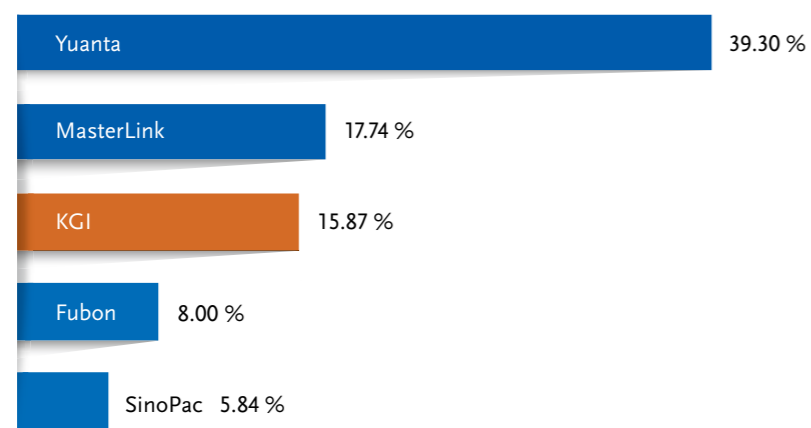
2017 Warrant Issuance Statistics

Source : TSE & Taiwan OTC



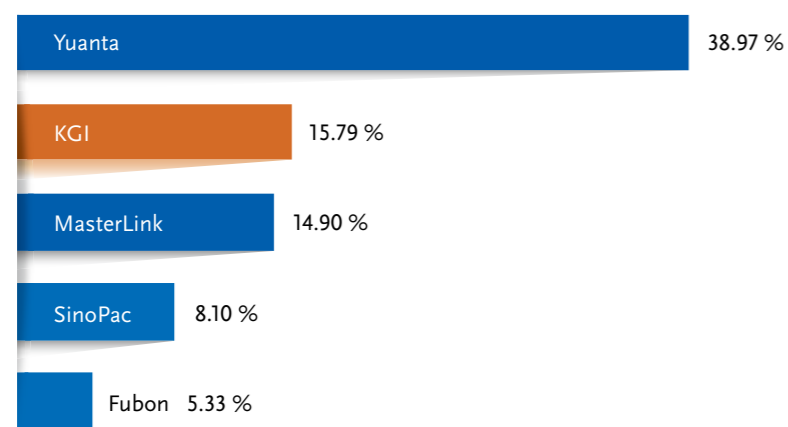
Top 5 Companies by Structured Product Market Share in 2017

Source : Taiwan OTC



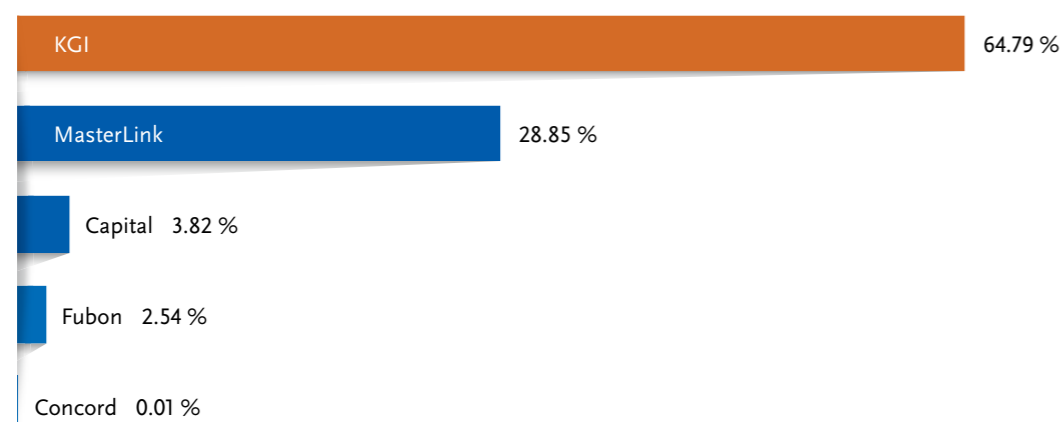
Top 5 Companies by CBAS Option Market Share in 2017

Source : Taiwan OTC



Top 5 Companies by OTC Option Market Share in 2017

Source : Taiwan OTC



Retail Brokerage & Wealth Management

In 2014, KGI Securities' brokerage department was renamed "Retail Brokerage and Wealth Management Department". The integrated one-stop service model which supported by its inherent advantages of professional sales force and broad range of highly diversified products and services that are differentiated from those of other banks' wealth management units. The diversified products include Taiwan-listed stock trading, futures, sub-brokerage (for foreign stocks), trust accounts for wealth management, and offshore securities unit (OSU) services.

In 2017, KGI's retail brokerage and wealth management business operated 80 branches, with overall brokerage market share of 8.28%, ranked second in Taiwan market. It has continued to pursue sales growth and service quality improvement based on the principle of professionalism and innovation. In 2013, KGI Securities took the lead in online trading in Taiwan by creating a multi-platform trading environment and integrated cloud-based devices which can transmit real-time information via offline push technology the following year. Moreover, under government's digitized financial 3.0 policies, KGI Securities developed an online integrated financial account platform to provide a variety of financial products and services in 2015 and 2016. As it extended its Mobile First strategy for the development of electronic platforms, KGI launched a mobile APP for Wealth Management in 2017 to accommodate various functions into mobile devices. It is worth mentioning that API services and the KGI Wealth Cloud are the first self-developed platforms in Taiwan's securities industry. Customers can use the KGI Wealth Cloud to gain access to all accounts under China Development Financial integrated accounts and also to the asset allocation chart to examine overall profits and losses. In response to the mobile e-commerce trend, KGI Securities has enhanced its mobile services by enabling viewing of e-statements from multiple devices, and certificate generation and e-signing risk disclosure forms via mobile devices. Our personalized smart services for mobile phone users also add value to mobile trading. KGI Securities' comprehensive electronic trading platforms provide clients with powerful trading applications, user-friendly websites for online trading, and convenient, prompt and secure mobile transactions. Moreover, its customized services can meet the needs of high-net-worth clients and link with foreign financial markets as well as wealth management-related products, allowing the trading of multiple assets in numerous time zones and maximizing asset allocation efficiency. KGI Securities is well prepared in the face of widespread application of smart technologies. We have established a 360-degree customer view through scientific analysis of big data to gain an effective grasp of every customer's various wealth management needs. We have also introduced a smart wealth management system to help customers reach their goals and enjoy financial freedom by combining automated and smart modules with customers' wealth management needs. Going forward, we will provide around-the-clock services with our Smart Customer Service Team to accelerate investing and wealth management.

By providing a full range of financial services, KGI Wealth Management is constantly leading the market in terms of customer base and trust assets under management. In 2017, KGI's Wealth Management business continued to be well-regarded by clients and market reviewers. It was awarded "Best Wealth Management Securities Firm – Distinguished," "Best Broker Service (ranked No. 1)," "Best Digital Service," and "Best Financial Products" in Business Today's Wealth Management Reviews of 2017. On the business performance, KGI Securities provides clients with professional investment advice and diversified asset allocation into mutual funds, overseas equities, fixed income products, and structured- and insurance-related investment products, while achieving steady asset growth. KGI Securities established the first Securities Lending Service Center, providing dual securities lending services (securities lending from custodian or trust), allowing clients to enhance asset return and generate steady income.

Speaking of business innovation, KGI is the only securities firm providing US equities regular stock purchase (RSP) plans and the most Taiwanese equity RSP alternatives after its launch in 2017 for young low-income earners to accumulate wealth through “stock deposits.” With respect to personnel, a highly trained Financial Advisory Team was established to serve high-net-worth clients via customized investment solutions. In terms of the pan-Asia wealth management realm, KGI Securities has built an Overseas Securities Unit (OSU) platform, aiming to attract overseas investors by offering one-stop services for overseas ETF, mutual funds, private equities, hedge funds, bonds, structured products, and more.

Going forward, KGI Securities' wealth management business aims to maintain its competitive edge over peers by optimizing its operation flows, systems, and product offerings to enhance business efficiency and service quality. In 2017, KGI launched social media to access potential customers and deepen existing client relationships. KGI has established a first-mover advantage within the securities trading industry by affiliating with the Line messaging app. Customers' stock accounts are linked with their Line accounts so they can receive push messages regarding order confirmation, transaction confirmation, and auction orders. Furthermore, KGI's official Line page also provides clients with stock information, industry news, daily trading recaps, and information on marketing events. Meanwhile, we invite many famous financial bloggers to communicate with users through professional articles posted on our official Facebook page. Besides providing financial information, this page will share book, wine, and movie reviews, in addition to investment advice.

FINI Equity & Sales

KGI Securities' FINI Equity & Sales Department comprises a team of experienced traders and market specialists that provide foreign institutional investors (FINI) with the highest quality investment advice and trading strategies designed to maximize profitable trades. As the top choice for foreign capital seeking access to Taiwan's nearly US\$1.0 trillion securities market, KGI Securities now manages 6,500 trading accounts for investors in Asia, Europe, and North America.

In successfully managing many such accounts over the years, KGI Securities has a proven track record in executing large trades. In fact, for several years running, the company has been ranked among the top three brokerages in Taiwan for Best Execution by Asiamoney. KGI's stock borrowing and basket trading services have also won many accolades and have been ranked among the best on the island. Through KGI Securities, our clients have access to the second largest number of securities sources in Taiwan, while our securities lending operations have garnered a significant 22% market share.

The FINI Equity and Sales Department is more than just a trading desk, however. Our expert staff is also dedicated to providing high-quality research to investors and to giving them unique access to the highest levels of corporate management at some of the most prominent companies in the country. The very latest in market trends comes to our clients in the form of in-depth, concise reports that summarize key information gleaned from company visits, teleconferences, analyst marketing trips and non-deal roadshows.

Going forward, the FINI Equity and Sales Department will continue, first and foremost, to deliver insightful and innovative investment ideas and the most secure trading services available to clients. In other areas, rapid expansion of the stock borrowing business will continue, while efforts to increase market share in various segments and better utilize regional advantages will help keep KGI abreast of market developments and ahead of the competition.

3-4 CDIB Capital Group

Entrepreneurship and Industrial Investment Business

In order to expand the economic scale of investment business and improve the efficiency of capital utilization, CDIB Capital Group actively raises private equity funds to develop fund management business in hope to expand the breadth of profit sources and achieve a balanced income.

In recent years, CDIB Capital Group has achieved great success in asset management business, and successfully raised eight private equity funds, including: Creative Fund, Healthcare Fund, Hua Nan Fund, Hua Dong Fund, Ali Funds, Innovation Fund, Growth Fund, and Asia Partners Fund, with total asset under management of NT\$ 37.7 billion at year-end 2017. Currently, it is raising the RMB Healthcare Fund and USD Global Opportunities Fund. As for future, CDIB Capital Group will continue to raise private equity funds and deepen its fund management business as industrial development changes with the times in Taiwan and around the globe.

CDIB Capital Group is not only the pioneer venture capitalist in Taiwan, but also a leader in Taiwan's venture capital industry. With nearly 60 years of experience, it has expanded investment to all major countries in the world and its investment covers all major industries. The well-built broad and deep industrial network and strong investment team have enabled CDIB Capital Group to grasp the market trend, and reserve a good harvest for shareholders.

Taiwan's Industrial Upgrade Process and the Investment Development History of CDIB Capital Group

From petrochemicals, steel, electronic information, optoelectronics / semiconductor, and communication technology, to the more recent biomedical, consumer, artificial intelligence, Internet of Things, industry 4.0, and next-generation mobile messaging technology industries, CDIB Capital Group's investment portfolio has continued to evolve as industrial development trends change in Taiwan and around the world. Thus, we have participated in every stage of Taiwan's industrial upgrade and transformation and have served as an important driving force for Taiwan's economic development.



Private Equity Fundraising and Management

In response to the strategic goals of increasing management fees and expanding funding sources, CDIB Capital Group will work through its regional subsidiaries to collaborate with successful and well-known enterprises to raise private equity funds, and to gradually replace proprietary funding with externally-raised funds. It will thereby expand the economies of scale of its investment business. Meanwhile, it will also adopt the international fund management concept and actively develop private equity fund management business. Such efforts will enable the company to balance revenue streams with the growth of management fees.

Several private equity fundraising plans are currently underway to accommodate the needs of different regions and industries. Major fund raising initiatives include: “RMB-denominated Greater China Private Equity Fund,” “TWD-denominated Industrial Private Equity Fund,” and “USD-denominated Asia Partners Private Equity Fund.”

RMB-denominated Greater China Private Equity Fund

In response to cross-strait trade and economic development, CDIB Private Equity (China) Corporation, a subsidiary of CDIB Capital Group, was established in Shanghai to develop private equity fund management business in mainland China. Through the subsidiary, CDIB Capital Group is collaborating with leading enterprises and professional investment institutions in mainland China to set up renminbi private equity funds in major Chinese economic regions, and to invest in Taiwanese enterprises and local industries with great potential. Moreover, aiming to maximize investment returns, the funds look to utilize Taiwan's R&D capabilities and exploit the huge domestic market in mainland China.

◆ Hua Nan Fund (CDIB Private Equity (Fujian) Enterprise L.P.)

Hua Nan Fund was raised and established by CDIB Capital Group and a state-owned company in Fujian, Fujian Electronics & Information (Group) Co., Ltd. Assets under management of the fund are RMB 1 billion and it is the first renminbi-denominated equity investment fund established by a Taiwanese financial institution and a Chinese entity. In keeping with policy trends in mainland China, as well as overall economic situation, technology innovation and social development, the fund concentrates on the IT, healthcare and consumer goods sectors, striving to maximize investment returns by capitalizing on advantages in industries and markets in Taiwan, mainland China and Hong Kong.

◆ Hua Dong Fund (CDIB Yida Private Equity (Kunshan) Enterprise L.P.)

Hua Dong Fund was jointly established by CDIB Capital Group and Jiangsu Govtor Capital Group in Kunshan, Jiangsu Province. Assets under management of the fund totals RMB 1 billion, aiming to win investment opportunities in eastern China. Investment strategy encompasses industries as well as consumption, intelligent machinery, environmental protection, communications and internet sectors in the region. The fund invests in companies that mainly operate in mainland China.

◆ CDIB Yida Healthcare Private Equity Fund (The fundraising is still in progress)

To take advantage of the opportunity created by China's 13th Five-Year Economic Development Plan, CDIB Capital Group and Jiangsu Govtor Capital Group jointly established this fund in Kunshan City of Jiangsu Province, featuring an anticipated fund size of RMB 1 billion and an investment strategy focusing on biomedicine, innovative medical machinery, and healthcare services, among other branches of the greater health-related industry. The goal is to pool biomedical industry resources across the Straits to create value from an integrated circle of Greater China biomedical enterprises.

TWD-denominated Industrial Private Equity Fund

In better respond to trends in industrial development, CDIB Capital Group has taken advantage of its industrial network to establish the Industrial Private Equity Fund, targeting specific industries with the greatest potential and had established four private equity funds that focus on creative industries, biotechnology, innovative technologies and competitive niches. In the future, CDIB Capital Group will keep a close eye on the trends of each industry and raise other industrial funds accordingly.

◆ Creative Fund (CDIB Capital Creative Industries Ltd.)

To strengthen Taiwan's position in cultural and creative industries, the Fund was set up by CDIB Capital Group in 2013 with assets under management of NT\$ 1.5 billion. The investment strategy focuses on five cultural and creative sub-sectors: fashion brands, digital content, food culture, creativity and tourism, and movies/media. By seeking to turn culture and creativity into an industry, the fund aims to combine Taiwan's particular strengths with the enormous business potential of Greater China to create investment opportunities with high potential and bring new growth to the economy.

◆ Healthcare Fund (CDIB Capital Healthcare Ventures Ltd.)

In light of the biomedical industry cluster formed in Taiwan, the government's backing of the biomedical industry, and a good capital market, CDIB Capital Group has integrated CDF's resources to establish Healthcare Fund, a fund with assets totaling NT\$ 1.75 billion. CDIB Capital Group aims both to support local biomedical businesses and to create good returns on investment. The investment focuses on pharmaceuticals, medical device, services, and other healthcare-related industries, while strategically it targets opportunities arising from cross-border integration with Taiwan's equity capital market, US' technology and China's market. Ultimately, it aims to create integrated value for biomedical firms and to become the most favored strategic partner for entrepreneurs in the healthcare sector.

◆ Innovation Fund (CDIB Capital Innovation Accelerator CO. Ltd.)

Founded in April 2017, Innovation Fund is a NT\$ 1.26 billion fund which aims to encourage young entrepreneurship and foster future industries. It provides, in a physical accelerator, internal sources from CDIB Capital Group and value added services like mentoring, professional courses, and various entrepreneurial resources from its strategic partners. The target industries are cloud computing, IoT, mobile internet and next generation e-commerce. Via international connections, the Fund helps startups expand overseas and it aims to incubate more promising startups. By investing in early startups with high rapid growth and multiple exit strategies, the Fund expects an excellent fund performance.

◆ Growth Fund (CDIB Capital Growth Partners L.P.)

Growth Fund focuses on small-/medium-sized enterprises in Taiwan with an edge in the industry, whose core competitive edge has to be bolstered by either smart or green operations. Their potential growth, likely fueled by M&A, is expected to bring them to the international center stage. It was founded in June 2017, with assets under management of NT\$ 4.54 billion. CDF's extensive investment experience and expertise of over five decades, coupled with industrial resources from more than one thousand investees and leading players in various sectors, should stimulate M&A activity in Taiwan and thereby achieve the primary goals of the fund of a stronger industrial Taiwan and stellar investment returns.

USD-denominated Private Equity Fund

◆ Asia Partners Fund (CDIB Capital Asia Partners, L.P.)

The Asia Partners Fund is a private equity US dollar fund managed by CDIB Capital International Corporation, a 100% owned subsidiary of CDF. The “China Plus” investment strategy of the Asia Partners Fund focuses on China-related industry themes of consumer/retail, high-value-added manufacturing, and services. The two-pronged “China Plus” investment strategy leverages the economic growth momentum of the Greater China region and reduces the investment risk of investing only in China. The current fund portfolio includes Chinese companies with overseas growth potential and foreign companies established in South Korea, Taiwan, and the United States that benefit from the long-term growth of mainland China. The Asia Partners Fund finished the raising process in July 2015 with a fund size of US\$ 405 million. Its fund partners include a number of internationally renowned institutional investors and family offices.

◆ Ali Fund (Alibaba Taiwan Entrepreneurs Fund I, L.P.)

In order to facilitate the entry of quality Taiwan-made products and talents into mainland China and global markets, Alibaba Group initiated Alibaba Taiwan Entrepreneurs Fund I in 2015, which focuses on equity investments in Taiwanese entrepreneurs. Alibaba chose CDIB Capital Group to be the General Partner to manage US\$ 100 million in light of CDIB Capital Group’s excellent fund management record. The fund will focus on internet, e-commerce, logistics and cloud computing. The integration of CDIB Capital Group’s rich resources and Alibaba’s extensive deployment across industries will secure the future growth of portfolio companies and lead to a great fund performance.

◆ GO Fund (CDIB Capital Global Opportunities Fund L.P.) (The fundraising is still in progress)

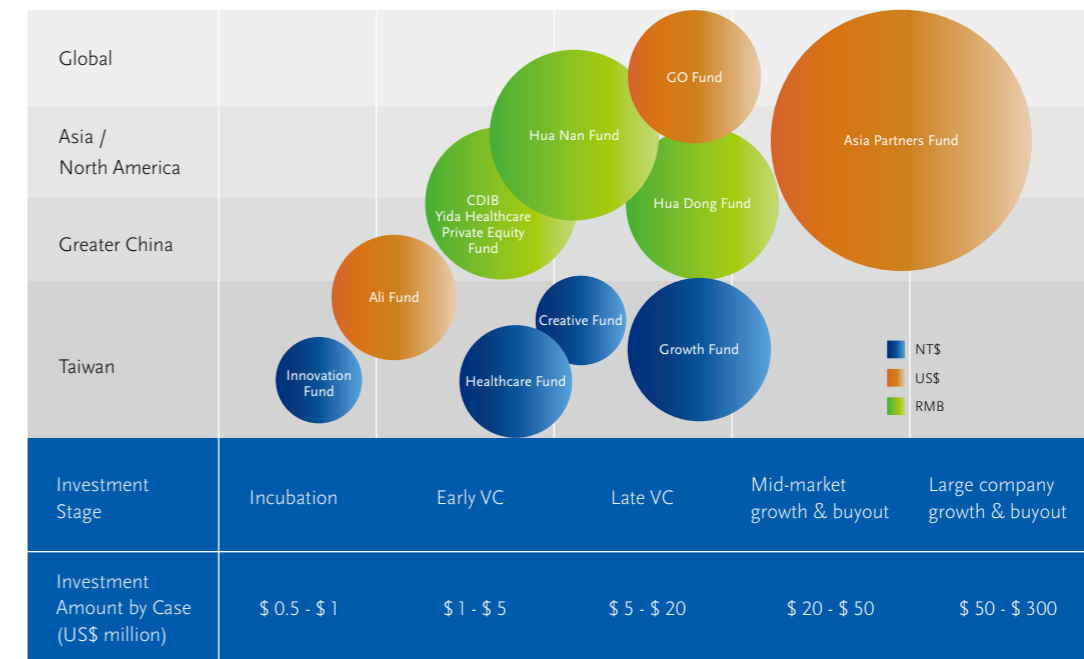
Continuing its successful investment performance since 2006, CDIB Capital Group is currently raising the GO Fund, with an investment strategy of focusing on high-growth companies in North American and Asia Pacific markets. The GO Fund will make good use of CDIB’s global network of contacts and create premium investment returns via the five cross-border branches of subsidiary CDIB Capital International Corporation and business resources and networks of more than 300 investment accounts of CDF.

Full Spectrum of Private Equity Fund Strategies

Fund Name	Fund Size
Hua Nan Fund	RMB 1,000 million
Hua Dong Fund	RMB 1,000 million
CDIB Yida Healthcare Private Equity Fund	RMB 800 million (The Fundraising is still in progress)
Creative Fund	NT\$ 1,500 million
Healthcare Fund	NT\$ 1,750 million
Innovation Fund	NT\$ 1,290 million
Growth Fund	NT\$ 4,540 million
Asia Partners Fund	US\$ 405 million
Alibaba Taiwan Entrepreneurs	US\$ 100 million
GO Fund (The fundraising is still in progress)	US\$ 116 million (First close completed)

Transformation into an Asset Manager

Full Spectrum of Private Equity Fund Investment



Third Party Fund Investment and Strategic Advisory

Since early 2006, CDIB Capital Group has committed to over 40 different top-tier private equity funds globally. In addition to diversifying geographical and asset class exposure of the Group's investment portfolio, the third-party fund investment portfolio also enables CDIB Capital Group to partner with world-class private equity firms to share investment deal flow, market knowledge, and provide value-add to the portfolio companies. CDIB Capital Group's strong regional presence and deep investment experience in the Greater China region has helped establish the Group as a preferred investment partner in Asia.

The Strategic Advisory Group, an investment advisory arm under CDIB Capital Group, offers advisory services to regional institutional clients, with the goal of institutionalizing and enhancing our clients' private equity investments and exposure. Our seasoned investment team works closely with clients to design and implement tailor-made fund investment programs with target allocations for geographic, sector and fund type exposure preferences, taking into account each client's risk appetite and prior investment experience. In addition, the team supports its clients in establishing strong relationships with best-in-class fund managers in the long term and building PE management capabilities. With proven experience, strong end-to-end capabilities, wide proprietary relationship network, large group infrastructure, and strong post-investment support, CDIB Capital is able to provide a complete out-sourced solution to fully support our clients' needs.

Global Partners



Global

- Blackstone
- First Reserve
- Goldman Sachs
- KKR
- Riverwood
- Silver Lake

North America

- Adams Street
- Blue Point
- CIVC
- Clayton Dubilier & Rice
- Formation 8
- Industry Venture
- New Mountain Capital
- Oak Hill
- Platinum Equity
- Sun Capital
- Tenaya
- THL Partners

Europe

- Apax Partners
- Doughty Hanson
- Oaktree
- PAI Partners
- Terra Firma

Asia Pacific

- AIF Capital
- Carlyle
- CX Partners
- Everstone
- Huaxing Capital Partners
- Pacific Equity Partners
- Samara Capital
- Sino-Century

3–5 Research

China Development Financial

CDF's Thorough Research

As part of its strategic effort to develop diversified financial businesses, CDF supports the Research Department and its strong team of analysts that have accumulated many years of experience in investment research, economic analysis and industry research. The department also researches various industrial, supplier and customer channels, which facilitates an intimate understanding of business operations, technology development and competitive landscapes. Based on knowledge acquired, the department predicts market trends and the outlook for industries as a decision-making basis for CDF's subsidiaries, KGI Bank and CDIB Capital Group (for private equity/venture capital business). Also, the department utilizes the research resources of KGI Securities and KGI Securities Investment Advisory to conduct in-depth analysis of trends seen in various industries. The results from analysis are then used to help investors of equity-investment funds better grasp long-term development trends.

Macroeconomic Analysis and Industry Trends Information Guide the Business, Support Group Business Development, and Provide Clients with Value-added Services

The Research Department has over five decades of research experience in industrial and financial markets. It continually conducts thoroughgoing research on the domestic and international economic environment and industry trends. The research team also carries out field research by conducting company on-site visits and management interviews at home and abroad, thereby building a solid understanding of the economic developments of all relevant markets. With regard to macroeconomics, the department conducts in-depth research by studying various sets of macroeconomic data to provide timely regional economic analysis, country risk assessments, asset allocation strategies, financial market trends analysis and recommendations for internal usage. It also conducts roadshows to exchange research views with clients. With respect to industry research, the department closely tracks the development of emerging sectors such as the Internet of Things (IoT), AI, new-drug development, new-energy vehicles, virtual reality, augmented reality, and other software/hardware technologies, the digital economy, as well as consumption and non-tech sectors. Moreover, it conducts surveys and analyses of the prospects of major Taiwanese enterprises and their sectors. In recent years, the department has, along with CDF's business expansion, extended its industry and company research scope to cover mainland China, the Asia-Pacific region, and global markets, issuing internal research reports and industrial theme reports that are utilized by sales and risk management units as the basis for future development.

KGI Securities

Outstanding Equity Research Team

For many years, KGI Securities has been committed to nurturing the talents of its analysts and providing them with the resources they need to perform outstanding research. We firmly believe that only a highly qualified research team can bolster the company's various operations. Our expert analysts located both in Taiwan and at our overseas subsidiaries issue accurate research reports in real time to guide our clients to ideal investment portfolios and global asset allocations.

At present, KGI Securities has an Asia-Pacific research team of around 40 analysts that intensively monitors over 300 publicly-traded companies. In addition to providing domestic and overseas clients with timely, detailed, and insightful investment ideas, the team is working to further strengthen its sales and research workforce in Greater China and to enhance services provided to institutional investors across the Asia-Pacific region. By continuing to raise the bar, we aim to become a leading regional investment bank and a key partner to investors in Asia and Greater China markets.

As a regional securities firm, KGI Securities issues world-class research reports by utilizing its in-depth local market knowledge and its footprint in Greater China to provide customers with broad-based, insightful analysis of individual securities and markets. Reports, which are published on a daily, weekly, monthly, quarterly, and yearly basis, comprise analysis of industries, economies, investment strategies, and public companies. Our reports have been consistently recognized as among the best produced by local securities firms in Taiwan. Asiamoney has long ranked KGI Securities among the top two local brokerages in its annual polls. It has also ranked KGI Securities within the top three research houses, among both foreign and local securities houses, in Taiwan on various occasions. Such consistent award-winning performance shows that our commitment to differentiation and regional research integration is bearing fruit.

Capitalizing on our niche position in Asia, our research team has in recent years expanded its coverage beyond Taiwan to mainland China, Hong Kong, Thailand, and Singapore. Integrating our local research resources and talent, we have established a solid Asian region research network. Expanding its financial services throughout Greater China, our regionally integrated, differentiated research network has given the company a reputation for specialized research of specific industries. KGI Securities is also proactive in bringing its latest investment analysis to clients through many roadshows and investor conferences held in Taiwan and overseas.

3-6 Human Resources

Our People

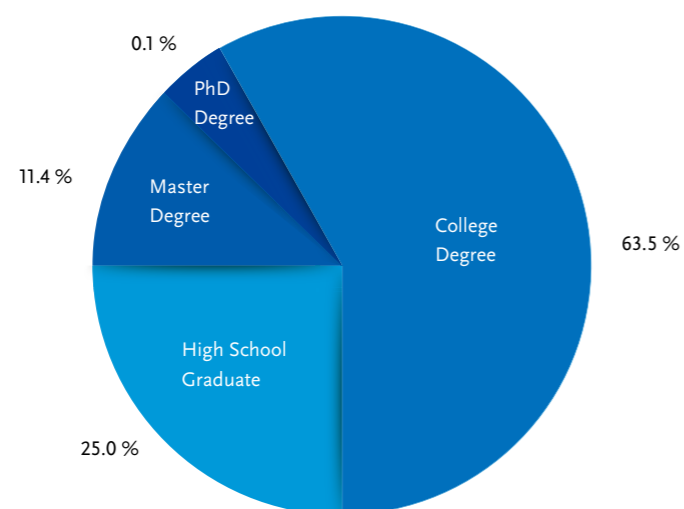
People are CDF's most valuable asset. Continuously attracting good candidates and developing talents are the important keys in CDF's pursuit of excellence and business sustainability.

CDF's workforce comprises an elite group of highly-trained professionals from Taiwan and abroad who possess extensive knowledge, specialized skills and hard-won experience in the fields of industry and finance. In order to better face the challenging, rapidly-changing financial environment, and also capitalize on the opportunities available in the booming emerging Asia region, CDF will continue to recruit top talent to growing its core venture capital, banking, life insurance, and brokerage businesses.

In addition to constantly recruiting exceptional talents, CDF also draws on its prestige as the "Best Investment Bank in Taiwan" to attract talent from home and abroad under its Management Associate (MA) Program. Following the acquisition of life insurance business, the CDF MA Program has now come full circle. Through comprehensive specialized courses, internship opportunities of the core business and exposure to CDF's overseas operations, the program acts as CDF's cradle of leadership which continually nurtures young talent, laying the foundations for solid long-term business development.

To further develop the professional competence of our employees, CDF constantly introduces high-quality training courses that covers Taiwanese and international financial regulations as well as the latest developments in the global investment and financial markets. Employees are thereby equipped with the knowledge needed to meet the challenges of the global financial markets, provide world-class financial services, and create ever more value for our clients and shareholders. These efforts will ensure CDF to become the most distinguished financial group among the world's Chinese-speaking population.

CDF's Employees by Education



3-7 Risk Management

Proactive Risk Management

CDF understands that risk management is not only about predicting, avoiding and containing risks. It is also about how risks can be effectively managed and turned into opportunities through a comprehensive system and became the key to enhance overall competitiveness. While attaching great importance to the advanced measures proposed by domestic and international financial regulators to beef up the risk-management capabilities and capital adequacy of financial institutions, CDF also makes significant efforts to build a multi-faceted risk management framework that contains an independent risk monitoring department, reporting systems as well as risk management platforms and technologies to provide the most trust-worthy financial products.

A Risk-conscious Corporate Culture

CDF has combined business management and risk management to form a corporate culture and business strategies that place a fundamental importance on risk management. The results of quantified and qualified risk management measures serve as a reference for formulating business strategies. Meanwhile, risk management policies are made in accordance with The Third Basel Accord, local regulations and our own business development strategies.

CDF's risk management covers market risk, credit risk, operational risk and liquidity risk. Based on the scope of risk management, we have established international guidelines according to international standards and our own corporate risk management policies. The guidelines serve as the standard for CDF and all of its subsidiaries in their day-to-day risk managing efforts.

CDF will continue to improve its ability in identifying and measuring risks in order to achieve better efficiency in risk control and management. While complying with capital adequacy requirements and other criteria set for financial holding companies and in different industrial segments. CDF will strengthen its early warning mechanism, and calculate its risk capital with better precision. These measures are taken to ensure the sustainable operation of CDF, and to provide a trustworthy financial product portfolio for our clients.

Risk Management Organizational Structure



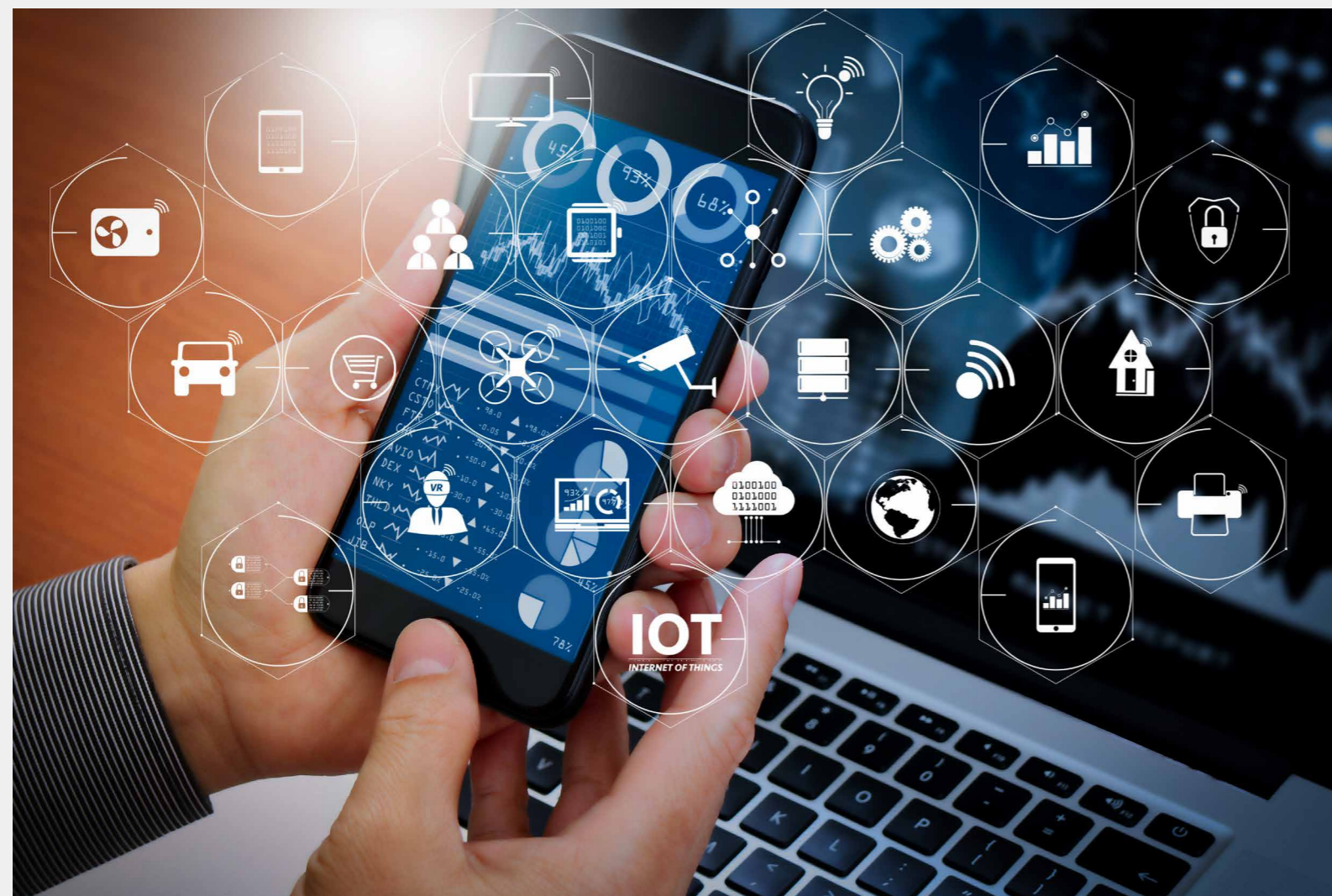
Synergies for Performance

Under the four growth engines and via comprehensive cooperation, CDF and its subsidiaries provide clients with full-fledged financial services and customized financial products, aiming to become the leading financial group in the Chinese speaking world, with unique characteristics that reflect Chinese communities worldwide.

4

Our Performance

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4-1 Accolades



- Securities and Futures Institute, ranked top 20% in the Fourth Corporate Governance Evaluation Award



- Securities and Futures Institute, ranked top 5% in the Fourth Corporate Governance Evaluation Award
- Forbes Magazine, "Forbes Global 2000 Companies"
- A series of videos titled "Thanks to Teachers - The Hope of All Rural Areas" was selected as a video for the "Teacher's Month" campaign by the Ministry of Education. It was selected as a "2017 Get Better Together" National Day Video. It was broadcast on National Day at Ketagalan Boulevard and received great recognition.
- Taiwan Academy of Corporate Sustainability, Taiwan TOP 50 Corporate Sustainability Report Award - Financial and Insurance Gold Award, Corporate Comprehensive Performance - TOP 50 Corporate Sustainability Award, and The Best Itemized Performance Award - Social Inclusion Award
- Taiwan Insurance Institute, 7th Taiwan Insurance Excellence Award, "Micro Insurance Promotion Excellence Award" silver medal
- China Credit Information Service Ltd, ranked #24 in among top 5,000 largest Taiwanese companies by revenue
- Department of Environmental Protection, Taipei City Government, Private Sector Green Procurement Award
- The Small and Medium Enterprise Administration, MOEA, Buying Power - The New Product and Service of Social Innovation Purchase Award
- BSI, 2017 Sustainable Practice Award



- The Intellectual Property Office, Ministry of Economic Affairs, first utility model patent for the bank's "Trust Monetary Flow Processing System"
- The Commercial Times, 2017 Best Service in Taiwan Award, ranked #3 best domestic Banks

- Taiwan Futures Exchange, Futures Trading Diamond Awards, Trading Volume for Banks (ranked #3)
- Taiwan Clearing House, ranked #2 Business Growth Award for ACH (Automated Clearing House)
- Financial Information Service, Best Virtual Cash Flow Business Innovation
- MTN-I, Editor's Award on the Green Bond Initiative
- The Intellectual Property Office, Ministry of Economic Affairs, granted a utility model patent for the bank's Decreasing Interest Rate Product



- Business Today, Wealth Management Award, Best Sales
- Excellence Magazine, Best Digital Service Award in the 2017 Brokerage Evaluation
- Taiwan Future Exchange, Futures Trading Diamond Awards, #1 RHO Market Maker; #1 XEF Market Maker, #2 Trading Volume for Future Broker and #1 Outstanding Contribution by Introducing Brokers
- Taipei Exchange, #1 Recommending TPEX- and Emerging Stock IPO; #2 Recommending TPEX- and Emerging Stock Market-listed Companies
- Taipei Exchange, Best Government Bond Market Maker
- Taipei Exchange, #2 Best Warrants Trading; #2 Best Warrants Sales
- Taipei Exchange, #1 Best ETF Award
- The Asset Benchmark Research Awards, #1 top banks in the secondary market in Asian Currency bonds-government bonds; #1 for top banks in the secondary market in Asian currency bonds-corporate bonds; Top bank arrangers-investors' choice for primary issues in Asian currency bonds-corporate bonds
- TWSE, #1 Stock Float, #1 IPO Fund-Raising and #2 IPO Market Value
- TWSE, Securities Dealers ETF Trading Contest, Distinguished Contribution Award (Ranked #1 & #2)
- Taiwan Stock Exchange, #4 Best Trading Volume for Warrant issuer & Securities, #2 Best Warrants Weights
- Taiwan Stock Exchange, #2 Best Electronic Trading for API Promoting (Application Programming Interface) Award
- Securities and Futures Institute, Golden Goblet Award, Outstanding Securities Professional
- Wealth Magazine, Wealth Management Award, Best Digital Brokerage Services

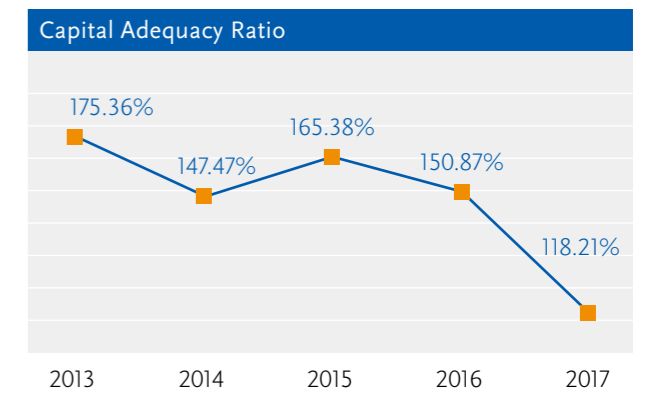
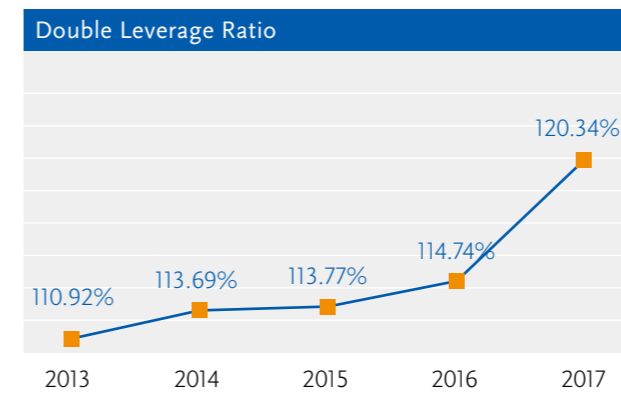
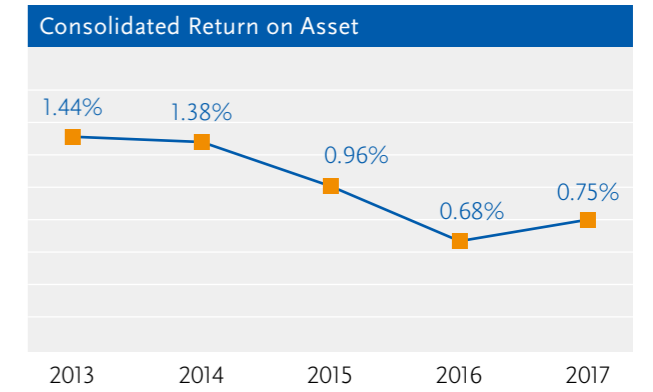
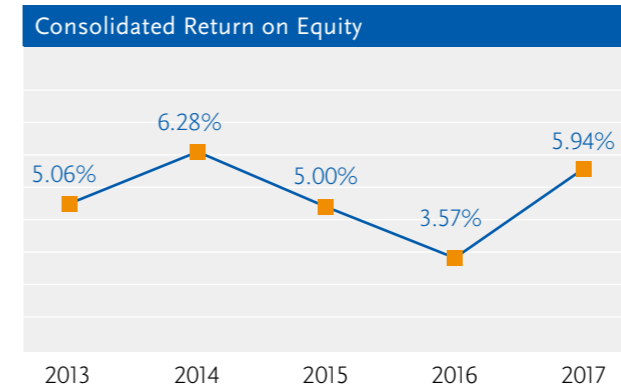
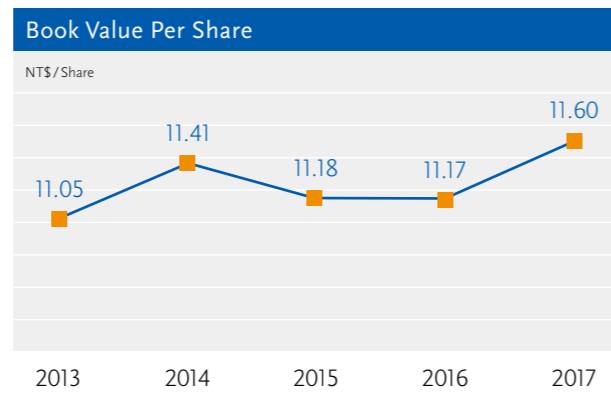
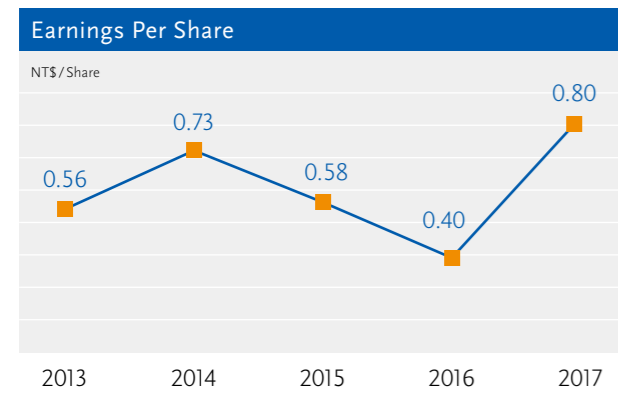
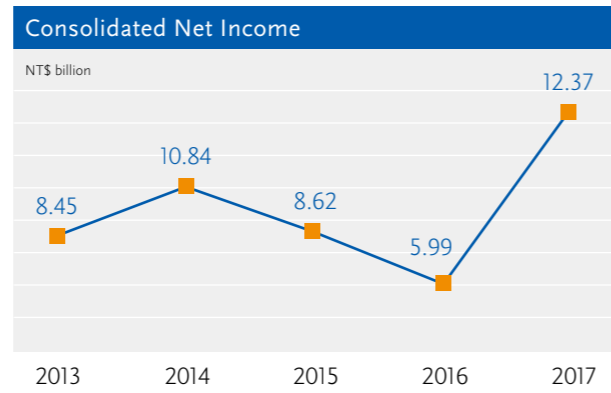
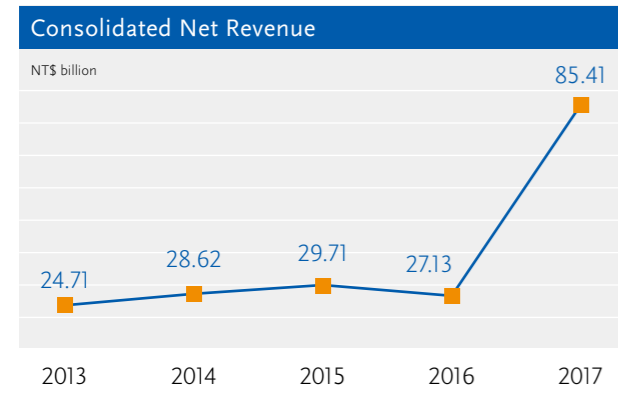
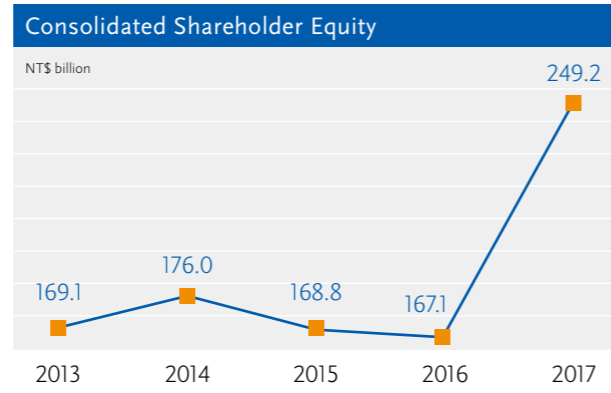
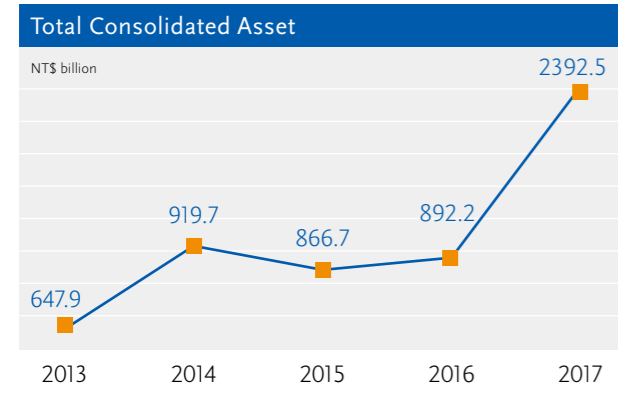
4-2 Successful Cases of KGI Bank

- The eligibility was granted from Taipei Exchange (TPEX) to issue green bonds and became one of the first few financial institution issuers. Moreover, KGI Bank is also permitted to offer counseling and underwriting services to clients wishing to issue green bonds. Meanwhile, the bank also makes to fund green investment and posts steady growth of green loans.
- Signed a joint-venture Letter of Intent with Bank of Jiangsu to jointly establish the Jiangsu Suing KGI Consumer Banking Cooperation to expand KGI Bank's consumer banking presence and boost its competitive edge.
- Established the first-of-its-kind "KGI Inside" digital financial service which provides FinTech operators with one-stop services to optimize customer experience. KGI Inside has strategically allied with Pi mobile wallet of PChome and the popular financing notebook APP, CWMoney, to provide an open-type Application Programming Interface (API) and enable users to conduct both digital bookkeeping and day-to-day payments. KGI Bank has also cooperated with iCHEF to unravel big data of restaurant operations and strengthen risk control. KGI Bank and iCHEF have jointly published the Restaurant Operations White Paper which assists iCHEF to enhance the winning change of running restaurant.
- KGI Bank has launched the first third-party liability insurance policy for motorcycle riders, KGI Chao Hao Chi, allowing the majority of motorcycle riders to enjoy the same insurance coverage of NT\$ 10 million as automobile drivers.
- KGI Bank's Trust Flow Processing System has obtained the first patent license from the Intellectual Property Office, which can effectively improve the breakpoint problem of manual work, and provide customers with automated processing of trust financial payment services to meet 24/7 fund transfer demand
- KGI Bank launched the market's first-ever declining interest rate credit loan product "Jio-Jiang-Dai" and obtained a domestic patent for "descending interest rate repayment system" issued by the Intellectual Property Office.
- In cooperation with large-scale taxi operator, KGI Bank launched a dedicated small-value revolving credit loan program through big data analysis. This loan program aims to help taxi drivers meet capital needs and establish personal credit record.
- The Charitable Donation Platform was launched on KGI's official website to provide a safe and convenient channel for 20 charitable organizations to raise money. KGI credit/ATM card holders can donate via credit cards or ATM cards to turn love into real action.

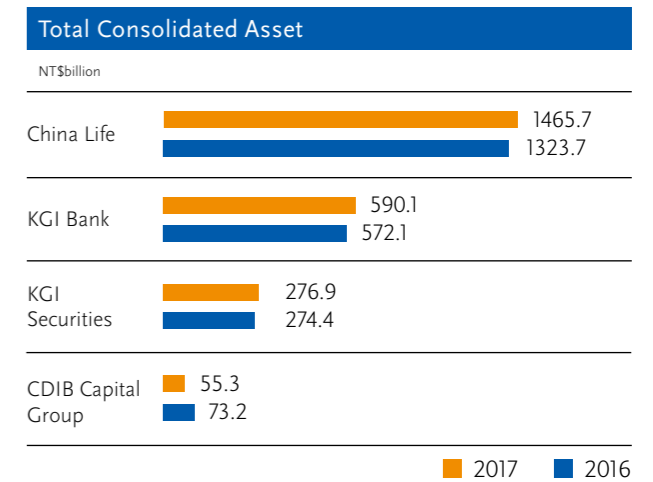
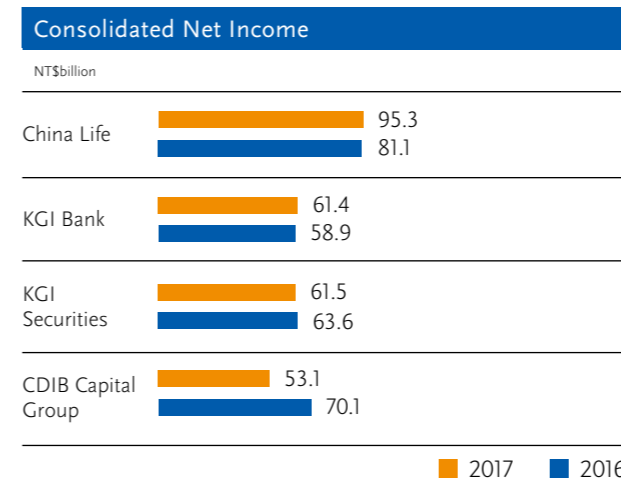
4-3 Successful Track Record of KGI Securities

Secondary Public Offering (SPO) <small>(Share issuance or convertible bonds)</small>	Global Depository Receipts (GDR)	International bond underwriting
Apex ASE CWTC CHILISIN DA-CIN EPISIL EVA Airways FHT GINTECH ENERGY GSC MAGIC Magnate Macrobloc MOTECH PHIHONG SIGURD TSFHC Yang Ming YFC-BonEagle Electric	Chailease Financial advisory services ACON CHILISIN CHINA METAL PRODUCTS DELTA Export-Import Bank of the Republic of China Genuine Getac KAIMEI LCY NANKANG RUBBER TIRE Namchow Neo Solar Power Qisda S-Tech TAIWAN MASK TCCB	ANZ Bank of America Corporation Barclays Bank PLC Banco Bilbao Vizcaya Argentaria Credit Agricole Corporate and Investment Bank Commerzbank AG Export-Import Bank of Korea Goldman Sachs JP Morgan Chase & Co. Korea Development Bank Kookmin Bank KEB Hana Bank KGI Bank Morgan Stanley Malayan Banking Berhad Natixis National Bank of Canada Royal Bank of Canada, London Branch Sumitomo Mitsui Financial Group Telefónica, S.A. Bank of Nova Scotia UBS Group AG United Overseas Bank
Euro Convertible Bond (ECB)	Domestic bond underwriting	
ENNOCONN	CPC CDF Far EasTone Far Eastern New Century Corporation Taiwan Power Company Yulon Motor Co., Ltd	
Initial Public Offering (IPO)		
ASLAN-KY Hi-Lai Foods Novatech OceanAlexander Samebest Shin Foong TOP BRIGHT Topview		

4-4 Financial Statement



Note: The 2014 consolidated financial statement has been restated according to rules of the 2013 edition IFRS



Note: On May 1, 2015, China Development Industrial Bank's numerous operations were transferred to KGI Bank. Upon the business transformation on March 15, 2017, China Development Industrial Bank was officially renamed CDIB Capital Group. CDF completed the public acquisition of a 25.33% stake in China Life Insurance in September 2017, making it a legitimate subsidiary under The Financial Holding Company Act. Combined with KGI Securities' 9.63% ownership (excluding hedging position coupled with derivatives), CDF Group owns a total of 34.96% of China Life's outstanding shares.

Integrity for Sustainability

In order to fulfill corporate social responsibility, CDF has fully integrated the sustainable development concept into its business strategy and has strived to create sustainable performance. CDF strives to enhance business development, and hopes to simultaneously strengthen corporate governance, create a green energy environment, and promote social inclusion to achieve sustainable business goals.

Breakdown of CDF's SDG Portfolio



Note : Including CDIB Capital Group venture capital department's principal investments and managed PE/VC funds

5

Social Responsibility

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5-1 China Development Financial Holdings

1. Supporting Social Enterprise via CDF Financial Expertise

In order to fulfill its corporate social responsibility, CDF sponsored the Social Enterprise Hub program, whose goal was to support social enterprise startups by providing offices and training courses, in 2016 and 2017 commissioned by Small and Medium Enterprise Administration, Ministry of Economic Affairs, to the private sector, pledging to help organize regular events and facilitate digitization of events over the next two-and-half years. CDF has built a social enterprise incubation office, where it provides business startup consultation and other professional advice on a case-by-case basis, using its core strength in venture capital and private placement. CDF also intends to arrange a variety of business startup seminars to meet the needs of new social entrepreneurs.

With resources injected by CDF, Social Enterprise Hub has held 76 events over the past two years, including promoting the discussion of social issues, expanding skills for establishing social enterprises, entrepreneurs exchanging experiences, anniversary celebrations and social enterprise demo shows. CDF has also held six sessions of a social enterprise startup course during the period by capitalizing on its financial expertise and has held social enterprise forums to go along with the course.

In order to form a consensus among the industry, government and academia, CDF, College of Law, National Chengchi University, KPMG and Okogreen jointly held the first social enterprise forum from the financial angle in Taiwan on November 27, 2017. Ashoka Foundation was invited to participate in the forum to share its first-hand information on the global development of social enterprise in hopes of assisting Taiwan to remove bottlenecks of developing social enterprise. Premier Ching-Te, Lai came to the forum to give an opening speech, rewarding the forum with recognition and expecting domestic financial institutions to provide more investment and financing services to social enterprises. He also encouraged Taiwanese people to support social enterprises. The Executive Yuan will not only build platforms for social enterprises but also provide funds and deregulate to facilitate the development of social enterprises.



KGI Bank Chairman Mark Wei gave speech on behalf of CDF



Premier William Lai (front row center) and KGI Bank Chairman Mark Wei (front row, fourth from left) attended the Social Enterprise Finance Forum

As the representative of CDF, KGI Bank Chairman Mark Wei said in his speech that, in recent years, supporting social enterprises has become a very important goal for CDF. CDF believes it must make an effort for social enterprises because, first of all, CDF can share its over fifty years of investment experience and comprehensive investment and financing expertise with passionate, innovative social enterprise entrepreneurs, providing them with the most abundant, complete and professional experience to help them find the most feasible business model. CDF has transformed itself into a comprehensive financial service platform to provide services to enterprises during the inception, expansion and going-public stages and offer wealth management plans, among others, to private individuals in pursuit of their dreams during different stages in life. It is also branching out into new business fields and regions. CDF believes that there is no fundamental conflict between social enterprises and profit-seeking enterprises. The only difference is what they focus on. Compared with profit-seeking enterprises, social enterprises are more focused on resolving social issues. Nonetheless, their businesses also have to be commercially viable for sustainability purposes.

CDF is specialized in supporting enterprises that can create value for society, allowing for prosperity and fulfillment of potential. In future, CDF will continue investing in or granting credit to social enterprises, in hope to create value for the society.

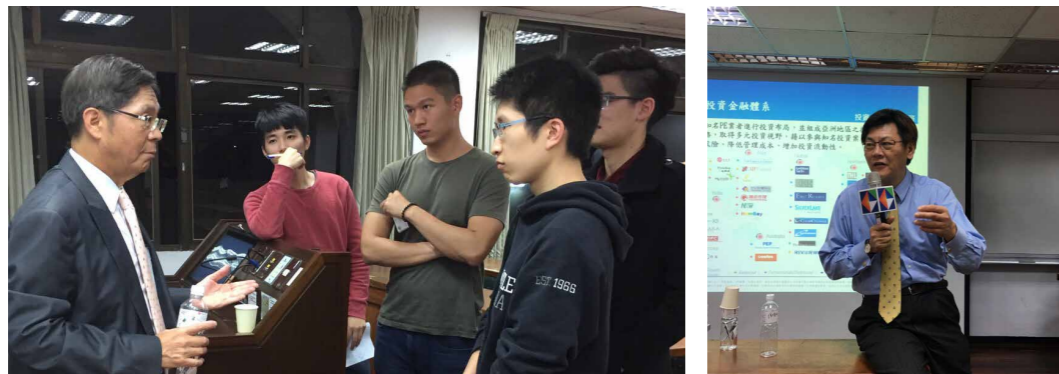
2. CDF Lectures under the MBA Program of National Taiwan University

CDF has organized the CDF Lectures in collaboration with the faculty of NTU MBA program since 2013. The program is designed to strengthen the company's ties with academia, fulfill its corporate social responsibility and provide proper training to students. CDF believes the program is meaningful for both the company and NTU as it gives students the opportunity to become familiarized with the financial market, help equip students with the knowledge they need to succeed in their future careers and bridging the gap between schools and the industry. Over the last 5 years, over 600 academically outstanding NTU students have enrolled in or audited CDF lectures. After a full semester of participation, many students have felt more confident about pursuing a career in the financial industry.

At the lectures, CDF shares its half-century of experience in venture capital and private equity. Coupled with the expertise in the securities and banking businesses, the CDF Lecture has been recognized as a highly specialized course and has been well received by students.

The content of the CDF Lecture also evolves with the operations of CDF. In 2017, the theme of the lectures was venture capital and financial practices. However, CDF added a little twist to the course by talking about investment in the startup, biotech and culture industries, as well as investment and acquisition of medium-sized enterprise. CDIB Capital Group Vice Chairman, David Chen, has served as a lecturer for four straight years. With years of experience in global investment and lecturing, he knows how to engage students, and spares no effort answering the students' questions. CDF also has arranged many other prominent figures to be lecturers. Among them are Mr. Daw-Yi Hsu, Chairman of KGI Securities, who talked about how the global capital market works, Mr. Shao-Liang Liu, Chairman of CDIB Venture Capital, who shed light on the opportunities and challenges facing the venture capital business in Taiwan, and Mr. Kuo-Jie Chou, Senior Executive Vice President of CDF, who spoke about financial technology (FinTech) innovation and new business patterns.

CDF first introduced the mentor system to the lecture in 2015. Under the system, experienced and competent CDF employees are assigned to lead group discussions and help students identify promising industries based on ongoing global economic development. A mock conference simulating the daily operation of CDF is also arranged for students to develop a better understanding of the financial industry. NTU professor Wen-Hua Chen, who helps run the lecture, appreciated the efforts of CDF and said this kind of practicum class is essential for students to accumulate hands-on experience.



(1) KGI Securities Chairman Daw-Yi Hsu and students had after class discussion (2) CDIB Venture Capital Chairman Lawrence S. Liu lectured

CDF believes that human talent is one of the most precious resources in society, and only investment in education can create the highest yield. Contributing to the training and education of young people has been an integral part of CDF's efforts to maintain a connection with society, in addition to the provision of financial services. The CDF Lecture embodies CDF's commitment to education. As a leading investment institution, CDF understands that local investment in education is the best way to give back to society.

3. KGI Financial Forum at the Department of Money and Banking of National Chengchi University (NCCU)

To cultivate professional financial talents, KGI Securities and KGI Bank cooperated with the Department of Money and Banking of NCCU to offer practical courses of transactions and trading of financial products since the 2016 academic year.

In the 2017 academic year, more than ten high-ranking executives of CDF gave lectures during the course, including Mr. Albert Ding, Chairman, KGI SITE; Mr. Alvin Yang, Executive Vice President, Head of Fixed Income, KGI Securities; and Mr. Huang Shin-Chang, Senior Executive Vice-President, Global Markets Department, KGI Bank. The 39-hour course consisted of 14 classes, a mid-term and a final exam. The content of the course covered the design/issuance/marketing/trading of financial products, arbitrage, hedging and operations of international investment banks, as well as market observation. The course was seeking to seamlessly connect academic knowledge and real-life practice and to give the students a highly educative experience.

KGI Financial Forum also offered winter-break and in-semester internship opportunities in the 2017 academic year to those interested in spending time at KGI Securities' bond and derivatives departments or the Department of Global Markets of KGI Bank, to test out the theories learned in class.

KGI Securities focuses on establishing itself in the Asia-Pacific region, with Greater China and ASEAN being the two target markets. Outlets are set up in Taiwan, China, Hong Kong, Thailand, Singapore and Indonesia. KGI Securities hopes to be a key driver of Taiwanese financial talent, striving to cultivate them as international financial professionals with a vision and leading young students who aim to work in the international financial markets to face challenges and grasp opportunities in the global financial markets.



KGI Financial Elite Program at the NCCU Graduate School Department of Money and Banking concluded another successful year

4. Participation in the Financial Lectures Organized by Taiwan Financial Services Roundtable (TFSR)

To support the Financial Literacy Program launched by the Financial Supervisory Commission, Taiwan Financial Services Roundtable (TFSR) has been organizing a series of practical courses on financial topics since 2013 in collaboration with education institutions in Taiwan such as National Taiwan University and National Chengchi University. The Financial Lectures aim to incorporate financial literacy into the general education programs offered by financial departments in colleges and universities and bring the industry and the campus closer and foster financial professionals.

CDF has been actively supporting the Financial Literacy Program and has been invited by the TFSR many times to send high-level executives to serve as speakers at the lectures, including KGI Bank Chairman Mark Wei and KGI Futures Chairman Falcon Mi. In 2017, the lectures from CDF has visited 7 universities and shared their extensive knowledge and practical financial industry experience with students. The program enables students to combine financial theory learned at school with the actual industry practice. By participating in the Financial Literacy Program, CDF has felt honored to be able to contribute to the cultivation of financial talent in Taiwan and help advance the spread of financial industry knowledge.

5. Participation in the Financial Literacy for Youth Program Organized by the Financial Supervisory Commission

The Financial Supervisory Commission launched the Financial Literacy for Youth program in 2015 with the aim of helping equip college students from economically disadvantaged families with better qualifications for stable jobs in the financial sector. The program was prompted by cases of college students who are unable to properly focus on their studies either because they have to work part-time to share family financial responsibilities, or because they cannot afford the fees for financial license-related courses and exams in the first place. Ultimately, the goal of the program is to assist economically disadvantaged young people with starting a career, as a means of relieving the financial distress of families in the community.

CDF has actively participated in the program, with KGI Bank Chairman Mark Wei, at the invitation of Securities and Futures Institute, attending the island-wide opening ceremony at National Dong Hwa University in Hualien in September every year and lecturing at several colleges around Taiwan. The lecturers from CDF have shared their extensive knowledge and practical experience of the industry with students to contribute to the cultivation of the country's financial talent and to open a window on the financial sector for economically disadvantaged young people.

The Financial Literacy for Youth program is intended not only to cultivate talent but also to help participating students with living expense allowances and subsidies for exam registration fees during the course. Additionally, the FSC plans to require financial associations and holding companies to offer jobs to students in the program and to jointly provide job-matching services. KGI Bank and KGI Securities, both subsidiaries of CDF, will also join the job-matching service to recruit more talent among young people with economic disadvantages.

6. Establishing the Financial Elite Program at National Chengchi University (NCCU)

In February 2013, KGI Bank Chairman Mark Wei founded the Financial Elite Program at NCCU, a series of 6 financial lectures in English, given on Saturdays in the first semester of every academic year, in collaboration with the College of Commerce and Department of Finance of NCCU. Supported by Dean Kwei Tang of the College of Commerce of NCCU, the program aims to cultivate future financial professionals in Taiwan and shape their international perspectives.

Tapping into his personal networks established over the years in the industry, Mr. Mark Wei has invited scholars of international relations and high-level managers in the financial services industry to present expertise on their professional fields in the program, including Mr. Albert Ding, Chairman, KGI Securities Investment Trust, Mr. Steve Wang, Vice President, KGI Securities, Mr. Adam Chen, CEO, HSBC (Taiwan), Mr. Chih-Ya Yang, President of PineBridge Investment, Mr. Wei-Hua Tang, CEO, Hontai Life and Professor Dr. Kwei-Bo Huang of the Department of Diplomacy at NCCU. The lectures have helped broaden the international financial knowledge of the students (junior and senior students and master's students of NCCU) en route to professional careers, as well as increasing their familiarity with the inner workings of the financial industry.

The Financial Elite Program, which has run for 5 years, has been held to wide acclaim among lecturers and students. Participants in the program include not only students from NCCU University but also interns of KGI Bank from Fu Jen Catholic University, the College of Management of National Chiao Tung University, the Department of Finance of National Dong Hwa University, Shih Hsin University, Chang Gung University, National Taipei University and Chung Hua University. In the past 5 years, the lectures of the Financial Elite Program have invited more than 300 students to participate, making it a remarkable success.

7. Participation in the Social Services Program of the College of Law, National Chengchi University

The Social Services Program of the College of Law, National Chengchi University (NCCU) offers a series of elective courses with credit, with an aim to integrate legal services with professional social services in the frontline. Since 2012, CDF has been part of the program as a collaborating partner and recommended honorary mentors to help students draft their service proposals, correct students' assignments, arrange site visits, and advise students on career planning. Mentors and students under the program can take part in social service events held by CDF in the future. Given that enterprises and investors across the globe are increasingly concerned about the balanced development of three major fields (economic, social and environmental) due to global warming and social issues regarding gaps between rich and poor/ urban and rural areas, food and drinking water crisis and an aging population, the program held in-depth discussions in 2017 on the feasibility of investing responsibly in Taiwan from the debt and equity investment aspects. Under the guidance of CDF professionals, a research report with insight was completed.

8. Participation in the Asia-Pacific Enterprise M&A Mooting Competition, National Chengchi University (NCCU)

The Asia-Pacific Enterprise M&A Mooting Competition is jointly organized by the College of Law and College of Commerce of NCCU. The competition originally was an extension activity of the course "Cases on Mergers and Acquisitions," where students from the Department of Law, Accounting, and Business Administration of NCCU formed groups and went through a simulated M&A deal in a mooting competition at the end of each semester. The latest competition took place in March 2017 in Hong Kong with 16 universities from the Asia-Pacific region participating: Peking University, Tsinghua University, Renmin University of China, Shanghai Jiao Tong University, Xiamen University, Nanjing University, China University of Political Science and Law, and East China University of Political Science and Law in China; National Taiwan University, National Chengchi University, National Taipei University, Soochow University and National Chung Cheng University in Taiwan; the University of Hong Kong and City University of Hong Kong in Hong Kong; and Macau University of Science and Technology in Macau.

CDF executives have been the instructors as well as judges since the second competition in 2012, sharing their experiences of negotiation and execution from real M&A cases. Along with the enthusiasm and hard work of all the students that have taken part, the competition has come to represent a fun, challenging, and learning experience much cherished by all involved.

9. Summer School of National Chengchi University

NCCU's Summer School is the first in Taiwan that encourages students from different universities to study at NCCU during the summer vacation, with the aim of fostering a campus culture of interschool study and uninterrupted learning as part of the overall goal of excellent teaching. In August 2017, NCCU held an M&A research camp at its Summer School, for which CDF arranged a two-week educational visit to CDF for postgraduate students of commercial law from Nanjing University, China.

10. Tainan Earthquake Donation goes to Fund for Home Reconstruction and Child Education

A devastating earthquake hit Tainan in February 2016, resulting in huge casualties plus many wounded. CDF immediately announced a donation of NT\$ 10 million.

Donation arrangements according to the actual needs of the victims, NT\$ 6 million was deposited into a charity account specifically set up by the Bureau of Social Affairs of Tainan City Government and would be solely used to rebound homes. The remaining NT\$ 4 million was put in a trust account set up by KGI Bank as an education fund for five children orphaned by the tremor.



Deputy Mayor Yan Chun-zuo (center) of Tainan City accepted a donation from CDF

5-2 KGI Bank

Incorporate Citizenship into Business Initiatives and Development

◆ Establish Public Trust to Provide Friendly Financial Services

As an avid supporter of charity organizations through offering its expertise in financial services, KGI Bank has served as a trustee bank overseeing multiple social and charitable causes, beginning with the Spinal Cord Injury Foundation at end-2015, and followed by the Ama-Museum Women's Charitable Trust, the Firefly Social Trust, the Dentway Dental Group Higher Education Fund, and the Dai Ying-Xiang Non-Life Insurance Education Fund in 2016. In 2017, JumpStart Social Trust was founded. The backing of the trust enables charity groups to focus on advancing help where needed, while the trustee bank executes public donations to charity campaigns in accordance with the trust agreement. In affirming its supportive stance for charities, KGI Bank will continue to bring convenience with its provision of financial services, and it aims to help ease the burden of charity organizations in managing financial affairs.

◆ KGI Bank as Trustee of the First Revolving-fund Charitable Trust in Taiwan

In late 2015, the Executive Yuan urged the private sector to establish the country's first revolving-fund charitable trust. Under a charitable trust, a revolving fund offers small amounts of funds to charitable organizations during the early stages. Being the trustee of the first revolving-fund charitable trust in Taiwan, KGI Bank highlights its pioneering position in providing well-rounded financial services and support for charitable causes.

◆ Charity Merchandise as Birthday Gifts for Employees to Support Charity Organizations and Social Enterprises

For years, KGI Bank has prepared gifts for employee birthdays sourced from charitable organizations, to support good causes. These include the Fushan Farm and its organic food products, which help the region's aboriginal youth to access higher education; dessert gift boxes from Kanner Foundation to raise awareness about autism issues such as the schooling, hiring and career planning of autistic children and adults; hand-made soaps and towel dolls produced by members of the Faith Hope & Love Center for Children and Adults with Disabilities. In 2017, KGI Bank purchased hand-made pastries from St. Raphael Opportunity Center, supporting slow-learner children. Moreover, KGI Bank has included the local social enterprise 'ökogreen' and its fair-trade-certified farming products in its catalogue of recommended merchandise for Chinese New Year gifts, to show support for sustainability.

◆ Donation Platform

KGI Bank cooperated with twenty domestic charity organizations to launch a donation platform on its website, allowing them to have exposure with zero cost on the website. It provides a safe, fast and convenient platform for the Bank's customers to donate money by using credit cards and cash cards to help those in need.

“We Care” – Growing the Brand Legacy

◆ “KGI Volunteer Day” – Encouraging Employees to Get Involved in Elderly Outreach

In October 2013, in association with the United Way of Taiwan, KGI Bank has launched the “KGI Volunteer Day” initiative, an employee volunteer service dedicated to serving elderly residents across care facilities in Taipei, Taichung, or Kaohsiung. Employees are encouraged to plan one visit every month to the facilities to keep the lonely seniors company. In return, KGI Bank rewards the commitment by granting compensatory leave to the volunteers. Today, more than 800 employees have signed up to take part in this program.



“KGI Volunteer Day” united employees through outreach. Children of volunteer employees performed carols for residents on Christmas

◆ Increase Innovative Digital Financial Knowledge for Domestic University/ College teachers and Students

In 2017, KGI Bank cooperated with the Department of Money and Banking of National Chengchi University and launched KGI Financial Forum with senior management teaching internet banking, blockchain, big data and smart wealth management to raise awareness and practices of innovative digital financing. The Bank also shared its experience of how to face the impact of innovative business models and how to use FinTech to provide customer-focused services.

◆ Allying with CDIB Education and Cultural Affairs Foundation to Service Remote Villages

By leveraging the group’s resources, KGI Bank is committed to the long-term assistance of the underprivileged group in society. To support underprivileged school children, employees of KGI Bank take part in a “Lunch Dates” project organized by the Foundation. Following the 2016 cooking lunch activity at Meifeng Elementary School in Dacheng Township, Zhanghua, and Huanan Elementary School in Gukeng Township, Yunlin, KGI’s senior executive led staff in 2017 to prepare food for over one hundred students of Jhu An Elementary School in Yilan County.



◆ Extension Events to Promote “Our Class Has Got Talent” Scheme

KGI Bank provides a digital platform with resources for talented students to present their outstanding artwork to the public. It has collaborated for a long time with the CDIB Education and Cultural Affairs Foundation in funding the program “Our Class Has Got Talent,” which works with students to help them discover their own unique qualities in a non-academic setting. For the second year in a row, the Bank’s Chinese New Year’s edition of Line app stickers was jointly curated by a group of 7th-graders from the Fine Arts Program at Sanmin Junior High School, Kaohsiung, who were part of the Our Class program. Their popular stickers have tallied 4.5 million downloads and 130 million forwarding. In 2017, KGI Bank and Dance Chic Bon jointly promoted KGI Cha-Cha-Cha Dancing Camp, where the three instructors were the young talents who have been supported by the Foundation over a long period.



5-3 KGI Charity Foundation

KGI Securities, a subsidiary of CDF, has long been reaching out to the disadvantaged members of society through the institution of various charitable programs. For underprivileged students in particular, these programs include the subsidization of schooling fees, free breakfasts, and donations of books and bicycles. KGI Securities' philosophy of giving back to society inspired the company to establish the KGI Charity Foundation in 2012, which devotes itself to charity with the aim of maximizing the value for its clients, shareholders, and employees.

1. Elementary School Student Assistance Program — “Love, Starting from Elementary School”

The Foundation established the “Love, starting from Elementary School” scholarship program for students in 2012. By providing financial assistance for elementary school students from disadvantaged families, the Foundation aims to safeguard these students' right to receive a good education and in doing so assists underprivileged families in need of support and resources.

As assistance to financially disadvantaged families and students is a long-term commitment, the Foundation continued the Love project through 2017. Over the past 6 years, financial assistance has been offered to over 600 students, while nearly 200 families with financial difficulties have received subsidies for educational purposes. The Foundation also visited these families at year end to present them with an allowance for the Chinese New Year holidays. The Foundation will continue its efforts to help underprivileged students complete their studies so that they can be in a better position to realize their full potential as adults.



KGI Charity Foundation shown support for underprivileged rural school children

2. “Love from an Early Start” Program

The KGI Charity Foundation launched the “Love from an Early Start” program in 2015, with the aim of providing nutritious breakfasts to disadvantaged children in Taitung County. The program is intended to ensure the children are well fed early in the morning and thus fully energized for a new day at school. The program was merged with “Let Love Flower” in 2017 and has provided subsidies to over 1,000 underprivileged children in remote villages over the past three years.



KGI Charity Foundation provided a nutritious breakfast to underprivileged rural school children

3. “Let Love Flower” – Remote Care for Disadvantaged Students

In 2017, for economically disadvantaged families, as well as those living in areas with a serious shortage of learning resources (according to the financial rating of the central government), KGI Charity Foundation provided after school programs, life care, nutritional supplementations, multiple learning and other related donations. We strive to help these disadvantaged children resume to school and not to be adversely affected by economic difficulties.



(1) An after-school program at Wang--Liao Elementary School, Chiayi County (2) Weekend fine arts program at Song-Mei Elementary School, Chiayi County

4. Employee engagement – Bread of Love & Gift Box of Love

◆ “Bread of Love”

KGI Securities employees order baking products from two shelter workshops to help the students have more learning opportunities. In 2017, the total number of subscriptions was over 700. It is hoped that this initiative can help students with disabilities live independently and have more job opportunities.

◆ “Gift Box of Love”

At the end of 2017, KGI employees made gift boxes to express their care for remote-area students. Nearly 300 gift boxes were sent to schools in Chiayi County for Christmas, so that rural children could participate in the festive atmosphere.



(1) “Gift Box of Love” project, KGI Securities employees sent shoeboxes filled with Christmas gifts to students of Chu-Yuan Elementary School, Chiayi County (2) “Good Food, Kind Heart” project



KGI Securities employees and families visited an orphanage on Thanksgiving to spend the day with the children

5. “Love without Borders”

◆ KGI Securities (Hong Kong)

As a subsidiary of KGI Securities, KGI Hong Kong has long been committed to corporate social responsibility and is actively involved in helping underprivileged families and encouraging environmentally friendly behavior. Since 2007, it has frequently been praised publicly by the Hong Kong Council of Social Services and in 2017 received the award of Caring Company Logo from the Council in recognition for its efforts to give back to the community and care for its employees and the environment. In 2017, KGI Hong Kong continued to support charitable initiatives by promoting energy-saving campaigns like “Earth Hour” and “No Air Conditioner Night”, organizing a birthday party for the elderly, taking disadvantaged children on educational field trips, and donating school supplies to children in need. It also arranged health seminars and eco-tours for staff and encourages staff to participate in charity runs to raise funds for charity organizations.



(1) 11 KGI Securities Hong Kong volunteers led school children to the forest of Braemar Hill for an outdoor orienteering challenge (2) KGI Securities Hong Kong volunteers held birthday party for nearly 50 elderly members at the St. James' Settlement Evergreen Day Care Centre for the Elderly. They enjoyed lunch together and had a fun time playing games and shared laughs. In addition to give back to the community by caring for the elderly, the 14 volunteers also enjoyed a relaxing Saturday with colleagues

◆ KGI Securities (Thailand)

For corporate social responsibility (CSR), KGI Securities (Thailand) continued to help solve transportation problems for students in remote regions in 2017. The company launched the project “Make Dreams Come True and Give Bicycles to Students III” in November and December 2016, donating 1,150 bicycles to students between 8-15 years old that had difficulties finding transportation to school. In 2017, bicycles were donated to 114 schools in 9 provinces.



“Dreams Come True” project, KGI Securities (Thailand) donated free bicycles to school children living in remote rural areas to make their commutes easier

5-4 CDIB Education and Cultural Affairs Foundation

Believing education is the most valuable investment, CDF’s social welfare activities have centered on the theme of “care for the next generation, invest in children’s future.” In 2017, CDF subsidiaries continued to donate money to the China Development Industrial Bank Education and Cultural Affairs Foundation (“the Foundation”), to support and cultivate programs related to culture, art education, and social welfare.

The Foundation’s social welfare programs in 2017 included “Heritage 100 & Tutelage 100”, “Our Class Has Got Talent”, “Scholarship for Skilled Vocational High School Students”, “Perfect Nutrition”, “Lunch Date” and financial assistance for student victims of the explosion of colored powder at Formosa Fun Coast in New Taipei City, in addition to charity sales activities for social welfare institutions and support for art and cultural talents. In those programs, CDF not only contributed substantial resources, but also encouraged employees to participate voluntarily, making social welfare part of their work life as corporate citizens.

Major Charity Events in 2017

◆ “Heritage 100 & Tutelage 100”

To help bridge the education gap between urban and rural areas in Taiwan, the Foundation established the “Heritage 100 & Tutelage 100” scholarship and grant scheme. The program utilizes an annual budget of NT\$ 5 million to provide 100 scholarships to economically disadvantaged college students with outstanding potential. In addition to supporting their studies and relieving economic pressure, the foundation also encourages recipients to work as volunteers for 100 hours as tutors to underprivileged children. As the volunteer tutors are disadvantaged students themselves, they can serve as positive role models to children from low income families, giving them much-needed attention and understanding of their school life and life in general.



CDF Chairman Chia-Juch Chang and recipients of the 11th “Heritage 100 & Tutelage 100” program



(1) "Our Class Has Got Talent" project, CDIB Foundation sponsored talented young musician Tao Xun (left) and invited her to perform at Annual Charity Day (2) "Our Class Has Got Talent" project, young badminton talent from Ying-Ming Jr. High School, Kaohsiung (3) "Our Class Has Got Talent" project, young fine arts talent from Niao-Song Jr. High School, Yunlin



"Our Class Has Got Talent" project, young ballroom dancing talent co-hosted a dance summer camp with KGI Bank

◆ "Our Class has got Talent"

This program sets out to counter the idea that academic achievement is the only worthwhile pursuit for children by encouraging children of low academic achievement to develop other inherent competitive advantages. It provides scholarships for economically disadvantaged children in the hope that they will gain confidence in their learning abilities while also nurturing cultural and creative talent. In 2017, scholarships were granted to 1 individual or group in the music category, 2 in art, 1 in dancing and 2 in sports, with each receiving a maximum of NT\$200,000.

◆ "Scholarship for Skilled Vocational High School Students"

The scheme was launched in 2017 as an extension of the "Our Class Has Got Talent" program, which has helped many children develop talent in arts, sports, dancing and music, etc. The scheme aims to help young students in high/ vocational schools and above develop various skills, nurturing more professionals for the good of society.



"Scholarship for Skilled Vocational High School Students" program: Students of Muzha Vocational High School's Department of Casting competed at the 2017 National Skills Competition

◆ "Perfect Nutrition"

Since 2006, the CDIB Education and Cultural Affairs Foundation has provided subsidies for disadvantaged schools in remote areas to augment their school lunch programs. The program works to ensure that children receive proper nutrition and enables schools to provide breakfast and afternoon snacks or to add more dishes to lunch meals. The program has been lauded by local governments and schools since it was launched. In 2017, the program supported 285 elementary and junior high schools in nine cities or counties, including Taitung, Yunlin, Chiayi, Pingtung, Taoyuan, Changhua, Nantou, Yilan and Kaohsiung, with subsidies amounting to NT\$ 6.99 million.

◆ "Lunch Dates"

Caring about nutrition issues in remote schools and expanding employees' participation in social welfare activity, CDF employees visit remote schools for one day to share meals that they prepared with the children there. In 2017, KGI Bank's President Richard Chang led a team and KGI Securities organized a team to work as one-day volunteers, cooking and serving lunch respectively at Jhu An Elementary School in Toucheng Township, Yilan County and Nei-Weng Elementary School in Fanlu Township, Chiayi County. Most of these employees are not professional cooks, but they managed to deliver delicious dishes based on their own recipes, making it a lunch to remember for school faculty and students.



(1) "Lunch Dates" program, KGI Bank President, Richard Chang with school children of Ju-An Elementary School, Yilan (2) "Lunch Dates" program, KGI Securities employees at Nei-Won Elementary School, Chiayi

◆ “Country 100 Mobile Reading”

The Foundation has sponsored the community care and service program of the Huayuan Child Service Center, which provides after-school tutoring and day care services children and adolescents from underprivileged families (families with single parents, grandparents raising children, medium and low incomes, new immigrant parents, cultural disadvantages and poor functionalities) in the Aozihdi Community, Qianfeng Community and Jiuru Community in Gushan District, Kaohsiung city. In 2017, the program provided 6,669 services to 53 children and 49 teenagers.



(1)“Country 100 Mobile Reading” program, provided after-school care to underprivileged school children (2)“Country 100 Mobile Reading” program, an outreach program for underprivileged rural school children (3)“Country 100 Mobile Reading” program

◆ “Zero Distance in Art”

The Foundation sponsored National Theater & Concert Hall’s “Zero Distance in Art” program, inviting 101 college underprivileged students and children from remote villages to appreciate art performances in the Hall. It also sponsored National Taichung Theater’s “Dream Come True” program, arranging for 250 high- and elementary-school students to enjoy the world premiere of Cloud Gate’s “Formosa” in 2017.

◆ Supporting Cultural Talent

In 2017, the Foundation sponsored Lanyang International Double Bass Summer Camp Concert, Double Bass Concert, the Kuandu Arts Festival of Taipei National University of Arts and Fountain of Wisdom Theatre as its mission to cultivate artistic talent and to support local arts and cultural groups.



(1)“Zero Distance in Art” program, Letter of Appreciation from Shin-Kwang Elementary School (2)Fountain of Wisdom Theatre - Retrieve the Lost Courage (3)CDIB Foundation sponsored the Lan Yang International Double Bass Summer Camp series, making art education more accessible to children in Taiwan.

◆ “Good Food, Kind Heart” Project

Catholic Hua-Kuang Center for the Development of the Disabled, based in Guanxi, Hsinchu and Qizhi Vocational Training Center in Taoyuan, cares for physically and mentally challenged students. Both centers teach these students how to fend for themselves in the world, for example by teaching them how to make pastries and steamed buns with ingredients grown at the sheltered workshop, with the finished products both consumed by themselves and sold to the general public. It is hoped that this initiative can provide students with jobs and learning opportunities. In 2017, the Foundation continued the “Good Food, Kind Heart” program with 272 CDF employees order pastry sets, raising a total of NT\$ 480,000 to support the two institutions.

◆ “Annual Charity Day”

In December 2017, CDF held the “Annual Charity Day & Employee Recognition Event” with the participation of CDF staff and eleven social enterprises and charity groups (NPO Channel 1 for one, Lifelove Orgainc, ilovemilk, Taiwan Way, Bluseeds, Bjorgaas Foundation, Love Aboriginal Workshop, LiPaHak Farm, Syin-Lu Social Welfare Foundation, Yu-Cheng Social Welfare Foundation and Taiwan Foundation for the Blind) . At just a short four-hour market, sales surpassed NT\$ 1,000,000.

◆ Financial Assistance for Student Victims of the Colored Powder Explosion at Formosa Fun Coast, New Taipei City

The colored powder explosion at Formosa Fun Coast, New Taipei City, in June 2015, caused more than 10 deaths and more than 400 people burn injuries of all levels. To provide assistance to the young people severely injured in the accident, CDIB Capital Group donated NT\$ 24 million to the Foundation, earmarked for paying in full the tuition fees of those most economically disadvantaged. In 2017, the foundation provided financial aid to 3 graduate students and 131 university/college students with total subsidies of NT\$4,725,883.



(1)“Annual Charity Day”, CDF employees shown support for social welfare (2)“Annual Charity Day”, Social welfare groups and social enterprises were invited to attend the event (3)Three years after the Formosa Fun Coast dust explosion, Huang (second from right), who studies in New Taipei City at St. John’s University, is smiling again, despite scars that remain visible through holes in her jeans.

5–5 Environmental & Conservation Initiatives

Green Data Center

In addition to efforts to nurture the growth and educational development of the country's children, CDF is also a committed proponent of such issues as environmental protection, energy conservation, professional education, minority welfare and cultural development. CDF has endeavored to be a good corporate citizen in this regard by making donations to relevant organizations and getting involved in related activities. In particular, environmental protection and energy conservation are fundamental concerns of CDF's internal communications as well as operational practices.

As a global citizen, CDF shoulders its responsibility to cherish the earth and local environment. In addition to being the first financial holding company in Taiwan to build a Green Data Center in 2008, it also keeps increasing server virtualization to reduce the impact of the growth of machines and equipment on the energy usage in air conditioning. Significant results have been seen in recent years, including a 40-50% decrease in data center's average electricity consumption, which contribute to energy saving and carbon dioxide reduction as well as a reduction of IT operating costs. In addition, CDF has been devoting itself to promoting workflow automation in an effort to greatly reduce the use of paper. Since 2013, CDF has introduced workflow automation to branches at home and abroad, sparing no effort to protect the environment and reduce the waste of resources.

Now an integral part of its corporate philosophy, CDF has a longstanding commitment to bettering the social conditions of the country and the fulfillment of corporate citizenship responsibilities are fundamental to the sound operation of any business entity. CDF is determined to continue its close involvement in community welfare programs for the benefit of child development, environmental protection and energy conservation in Taiwan and around the world.

CDF Obtained ISO 14001 Certification for Environmental Management System in 2015

To fulfill its CSR obligations, CDF has long been engaged with environmental protection initiatives designed to reduce carbon emissions and find renewable energy solutions to facilitate sustainable development. For example, in order to maximize energy efficiency via a systemic approach, CDF introduced a globally-recognized environmental management system, ISO 14001: 2015, and obtained certification from the British Standards Institution (BSI) on January 12, 2016.

CDF has put in place a complete framework for environmental management in accordance with the latest requirements and will formulate environmental policies, targets and initiatives designed to reduce its environmental impact. All such measures will be reviewed regularly to ensure, for example, effective control of carbon emissions, power consumption, water consumption and business waste. CDF pledges to make every effort to mitigate its environmental footprint and improve its planet-friendly profile.

The ISO 14001: 2015 environmental management certification was awarded in recognition of CDF's mature, responsible attitude to pressing environmental issues. At a more basic level, CDF strives to instill eco-awareness in individual employees via environmentally-friendly measures undertaken in an effort to help change the way we all live our daily lives. This message can be spread via both corporate and individual channels and from employees to customers and families to society as a whole, and vice versa. Thus, CDF strives for a balance between business and the environment in a heartfelt effort to create a better tomorrow for Taiwan and the world.

5–6 Service Outlets

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