

**KGI Financial Holding Co., Ltd. and
Subsidiaries**
(Formerly China Development Financial Holding
Corporation)

**Consolidated Financial Statements for the
Six Months Ended June 30, 2024 and 2023 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and shareholders
KGI Financial Holding Co., Ltd.
(Formerly China Development Financial Holding Corporation)

Opinion

We have audited the accompanying consolidated financial statements of KGI Financial Holding Co., Ltd. (formerly China Development Financial Holding Corporation (the “Company”)) and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of June 30, 2024, December 31, 2023 and June 30, 2023, and the consolidated statements of comprehensive income for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, the consolidated statements of changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of June 30, 2024, December 31, 2023 and June 30, 2023, and its consolidated financial performance for the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, and its consolidated cash flows for the six months ended June 30, 2024 and 2023 in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises, and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China (ROC).

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group’s consolidated financial statements for the six months ended June 30, 2024 are as follows:

Impairment of Discounts and Loans

The management assesses impairment of discounts and loans according to the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans (“the Procedures”) issued by the FSC of the ROC and IFRS 9, respectively, and then recognizes the higher estimated amount as a reserve for asset impairment. Under the Procedures, impairment is based on the length of time overdue and the status of the collaterals; under IFRS 9, impairment is assessed by considering the probability of default and loss given default estimated based on historical experience, present market situation and forward-looking information. Since the important assumptions and input values used in revisions and adjustments involve critical judgments and estimates and impairment has a significant impact on the financial statements; therefore, the impairment of discounts and loans is deemed to be a key audit matter for the six months ended June 30, 2024.

Refer to Notes 4, 5 and 50 for the accounting policy information, critical judgment, estimation uncertainty and related disclosures of the impairment of discounts and loans.

Our key audit procedures performed in respect of the above matter included the following:

We obtained an understanding of the accounting policies and internal controls related to the recognition of impairment. We verified that the impairment assessment procedures including the classification of the credit assets, the length of time overdue and the status of the collaterals complied with the procedures. We understood the methodology, main assumptions and parameters adopted by the management in accordance with the IFRS9 impairment model, as well as the important assumptions and input values considered in its revision and adjustment. We selected samples of discounts and loans and evaluated the reasonableness of measuring expected credit losses.

Assessment of Insurance Liabilities and Liability Adequacy Reserve

As stated in Note 5, management uses actuarial models and several material assumptions when assessing the insurance liabilities and liability adequacy reserve. The assumptions were based on the principles embodied in the relevant laws and regulations, which cover the unique risk exposure, product characteristics and experiences of the target markets of KGI Life Insurance Co., Ltd. (“KGI Life Insurance”). The assessment of liability adequacy reserves is in compliance with the relevant norms promulgated by the Actuarial Institute of the Republic of China. When KGI Life Insurance assesses the liability adequacy reserve, the estimated present value of future cash flows from insurance contracts is based on a reasonable estimate of future insurance payments, premium income and related expenses. Since any change in the actuarial model and material assumptions will have a significant influence on insurance liabilities and liability adequacy reserves, we considered them as key audit matters for the six months ended June 30, 2024.

Refer to Notes 4, 5, 31 and 49 for the relevant accounting policy, material accounting judgments, estimation uncertainty, and disclosures of assessments of insurance liabilities and liability adequacy reserves.

We understood and assessed KGI Life Insurance’s internal controls related to insurance liabilities and liability adequacy reserves. We requested that our internal actuarial specialists assist us in performing our audit procedures regarding insurance liability, including the evaluation of the rationale of relevant assumptions and actuarial models adopted by management. As for the liability adequacy reserve, we assessed the reasonableness of the underlying assumptions and outcomes.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reports by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the ROC, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2024 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 19, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the ROC. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

ASSETS	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
CASH AND CASH EQUIVALENTS (Note 6)	\$ 62,995,877	2	\$ 72,864,773	2	\$ 67,647,898	2
DUE FROM THE CENTRAL BANK AND CALL LOANS TO FINANCIAL INSTITUTIONS (Notes 7 and 45)	29,379,341	1	29,682,480	1	60,569,163	2
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Notes 8, 17, 44 and 45)	626,404,264	16	550,917,931	15	557,986,028	15
FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (Notes 9, 17, 45 and 50)	252,261,656	6	249,360,614	7	258,509,400	7
DEBT INVESTMENTS MEASURED AT AMORTIZED COST (Notes 10, 17, 44, 45 and 50)	1,724,956,978	44	1,668,017,681	46	1,665,238,933	45
FINANCIAL ASSETS FOR HEDGING (Note 11)	997,658	-	835,695	-	1,685,211	-
SECURITIES PURCHASED UNDER RESELL AGREEMENTS (Note 12)	79,418,448	2	68,181,458	2	59,421,667	2
RECEIVABLES, NET (Notes 13, 44, 45 and 50)	199,088,795	5	156,501,248	4	152,530,657	4
CURRENT TAX ASSETS (Note 4)	894,723	-	891,186	-	123,215	-
DISCOUNTS AND LOANS, NET (Notes 14, 44 and 50)	474,859,114	12	430,891,355	12	424,157,211	11
REINSURANCE ASSETS, NET (Note 15)	1,065,271	-	1,011,096	-	899,603	-
INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET (Notes 16 and 17)	26,088,172	1	24,818,337	1	21,356,339	1
OTHER FINANCIAL ASSETS (Notes 18, 44 and 45)	192,956,521	5	177,975,337	5	177,288,450	5
INVESTMENT PROPERTY, NET (Notes 19 and 45)	59,031,016	1	59,391,549	2	57,954,888	2
PROPERTY AND EQUIPMENT, NET (Notes 20 and 45)	30,695,198	1	31,174,212	1	33,638,851	1
RIGHT-OF-USE ASSETS, NET (Note 21)	11,593,208	-	11,860,235	-	12,385,959	-
INTANGIBLE ASSETS, NET (Note 22)	17,399,623	-	17,778,030	-	18,067,676	-
DEFERRED TAX ASSETS (Notes 4 and 41)	23,193,891	1	18,834,982	-	19,915,604	1
OTHER ASSETS, NET (Notes 23 and 44)	<u>99,289,444</u>	<u>3</u>	<u>77,223,854</u>	<u>2</u>	<u>90,714,628</u>	<u>2</u>
TOTAL	<u>\$ 3,912,569,198</u>	<u>100</u>	<u>\$ 3,648,212,053</u>	<u>100</u>	<u>\$ 3,680,091,381</u>	<u>100</u>
LIABILITIES AND EQUITY						
LIABILITIES						
Deposits from the Central Bank and financial institutions (Notes 24 and 44)	\$ 5,340,106	-	\$ 7,027,312	-	\$ 1,091,906	-
Financial liabilities at fair value through profit or loss (Notes 8 and 44)	78,553,242	2	62,481,110	2	80,393,336	2
Financial liabilities for hedging (Note 11)	973,786	-	697,122	-	704,447	-
Notes and bonds issued under repurchase agreements (Notes 8, 9, 10 and 25)	170,607,884	4	130,294,589	4	129,422,553	4
Commercial paper payable, net (Notes 26 and 44)	72,911,122	2	29,459,780	1	35,392,169	1
Payables (Notes 27 and 44)	139,046,019	3	107,156,822	3	115,583,474	3
Current tax liabilities (Note 4)	544,478	-	312,088	-	1,035,913	-
Deposits and remittances (Notes 28 and 44)	557,657,533	14	529,936,718	14	553,941,366	15
Bonds payable (Note 29)	103,763,910	3	101,938,248	3	91,499,260	3
Other borrowings (Notes 30 and 45)	34,302,723	1	24,444,457	1	30,213,485	1
Provisions (Notes 4 and 31)	2,106,560,844	54	2,082,411,350	57	2,105,197,413	57
Other financial liabilities (Note 33)	237,598,289	6	210,573,263	6	219,628,441	6
Lease liabilities (Note 21)	3,897,111	-	4,034,022	-	4,457,486	-
Deferred tax liabilities (Notes 4 and 41)	24,756,701	1	16,326,381	-	15,702,415	-
Other liabilities (Note 44)	<u>78,002,576</u>	<u>2</u>	<u>78,168,155</u>	<u>2</u>	<u>51,796,830</u>	<u>1</u>
Total liabilities	<u>3,614,516,324</u>	<u>92</u>	<u>3,385,261,417</u>	<u>93</u>	<u>3,436,060,494</u>	<u>93</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 34)						
Capital						
Common stock	168,321,806	4	168,345,806	5	168,392,886	5
Preferred stock	15,821,424	1	15,821,424	-	15,821,424	-
Share capital awaiting retirement	(234,817)	-	(6,000)	-	(15,080)	-
Capital surplus	33,725,743	1	33,588,602	1	33,515,283	1
Retained earnings						
Legal reserve	17,591,149	-	15,613,641	-	15,613,641	1
Special reserve	39,120,659	1	48,976,557	1	48,976,557	1
Unappropriated earnings	36,224,504	1	19,775,079	1	10,890,617	-
Other	<u>(12,650,193)</u>	<u>-</u>	<u>(39,296,475)</u>	<u>(1)</u>	<u>(49,285,667)</u>	<u>(1)</u>
Total equity attributable to owners of the parent	297,920,275	8	262,818,634	7	243,909,661	7
NON-CONTROLLING INTERESTS	<u>132,599</u>	<u>-</u>	<u>132,002</u>	<u>-</u>	<u>121,226</u>	<u>-</u>
Total equity	<u>298,052,874</u>	<u>8</u>	<u>262,950,636</u>	<u>7</u>	<u>244,030,887</u>	<u>7</u>
TOTAL	<u>\$ 3,912,569,198</u>	<u>100</u>	<u>\$ 3,648,212,053</u>	<u>100</u>	<u>\$ 3,680,091,381</u>	<u>100</u>

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
INTEREST REVENUE (Notes 35 and 44)	\$ 25,915,591	219	\$ 23,880,238	143	\$ 50,913,727	185	\$ 46,625,988	165
INTEREST EXPENSE (Notes 35 and 44)	<u>(7,282,198)</u>	<u>(61)</u>	<u>(5,556,182)</u>	<u>(33)</u>	<u>(13,957,567)</u>	<u>(51)</u>	<u>(10,492,700)</u>	<u>(37)</u>
INTEREST PROFIT, NET	<u>18,633,393</u>	<u>158</u>	<u>18,324,056</u>	<u>110</u>	<u>36,956,160</u>	<u>134</u>	<u>36,133,288</u>	<u>128</u>
NONINTEREST LOSSES, NET								
Service fee and commission, net (Notes 18, 36 and 44)	2,560,470	22	611,286	4	4,615,591	17	800,589	3
Net income (loss) from insurance operations (Notes 37 and 44)	(19,794,023)	(168)	(9,355,217)	(56)	(33,382,330)	(121)	(16,444,271)	(58)
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss, net (Notes 8, 38 and 44)	7,173,464	61	(9,161,692)	(55)	681,522	2	17,515,739	62
Gain (loss) on investment property, net	72,063	1	139,387	1	197,045	1	304,247	1
Realized gain (loss) on financial assets measured at fair value through other comprehensive income (Note 39)	204,883	2	550,791	3	580,384	2	778,838	3
Gain (loss) on disposal of financial assets measured at amortized cost (Note 10)	(162,318)	(1)	120,816	1	(233,424)	(1)	1,007,338	3
Foreign exchange gain (loss), net	16,462,779	139	20,889,010	125	53,845,708	196	11,538,353	41
Impairment loss on assets, net	(326,475)	(3)	(406,383)	(2)	(341,246)	(1)	(397,059)	(2)
Share of the profit (loss) of associates and joint ventures	230,650	2	761,657	4	391,970	1	1,614,120	6
Gain (loss) on reclassification using the overlay approach (Note 8)	(10,818,724)	(92)	(3,952,846)	(24)	(29,432,725)	(107)	(24,251,948)	(86)
Net changes in reserve for changes in foreign exchange valuation (Note 31)	(2,889,416)	(25)	(1,976,754)	(12)	(7,016,686)	(25)	(624,310)	(2)
Others	<u>476,694</u>	<u>4</u>	<u>188,428</u>	<u>1</u>	<u>653,649</u>	<u>2</u>	<u>365,400</u>	<u>1</u>
Total noninterest losses, net	<u>(6,809,953)</u>	<u>(58)</u>	<u>(1,591,517)</u>	<u>(10)</u>	<u>(9,440,542)</u>	<u>(34)</u>	<u>(7,792,964)</u>	<u>(28)</u>
TOTAL NET REVENUE	<u>11,823,440</u>	<u>100</u>	<u>16,732,539</u>	<u>100</u>	<u>27,515,618</u>	<u>100</u>	<u>28,340,324</u>	<u>100</u>
REVERSAL (ALLOWANCE) FOR BAD DEBTS AND LOSSES ON COMMITMENTS AND GUARANTEES	<u>(412,240)</u>	<u>(3)</u>	<u>(34,963)</u>	<u>-</u>	<u>(810,682)</u>	<u>(3)</u>	<u>55,353</u>	<u>-</u>
NET CHANGE IN RESERVE FOR INSURANCE LIABILITIES	<u>8,615,989</u>	<u>73</u>	<u>(1,573,596)</u>	<u>(10)</u>	<u>11,829,426</u>	<u>43</u>	<u>(2,419,817)</u>	<u>(9)</u>
OPERATING EXPENSES (Notes 21, 32, 40 and 44)								
Employee benefits	(5,523,917)	(47)	(4,814,730)	(29)	(11,079,032)	(40)	(9,574,088)	(34)
Depreciation and amortization	(924,907)	(8)	(955,585)	(5)	(1,854,873)	(7)	(1,886,154)	(6)
Other general and administrative expenses	<u>(2,518,769)</u>	<u>(21)</u>	<u>(2,160,031)</u>	<u>(13)</u>	<u>(4,645,303)</u>	<u>(17)</u>	<u>(3,975,911)</u>	<u>(14)</u>
Total operating expenses	<u>(8,967,593)</u>	<u>(76)</u>	<u>(7,930,346)</u>	<u>(47)</u>	<u>(17,579,208)</u>	<u>(64)</u>	<u>(15,436,153)</u>	<u>(54)</u>

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT BEFORE INCOME TAX	\$ 11,059,596	94	\$ 7,193,634	43	\$ 20,955,154	76	\$ 10,539,707	37
INCOME TAX EXPENSE (Note 41)	<u>(2,322,764)</u>	<u>(20)</u>	<u>(551,105)</u>	<u>(3)</u>	<u>(4,002,551)</u>	<u>(14)</u>	<u>(392,604)</u>	<u>(1)</u>
NET PROFIT FOR THE PERIOD	<u>8,736,832</u>	<u>74</u>	<u>6,642,529</u>	<u>40</u>	<u>16,952,603</u>	<u>62</u>	<u>10,147,103</u>	<u>36</u>
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified subsequently to profit or loss, net of income tax								
Share of the other comprehensive income (loss) of associates and joint ventures	28,861	-	(42,116)	-	30,553	-	202,363	1
Gain (loss) on equity instruments measured at fair value through other comprehensive income	(2,418,027)	(20)	616,022	4	(376,370)	(1)	434,127	1
Income tax relating to the items that will not be reclassified subsequently to profit or loss (Note 41)	621,843	5	(101,693)	(1)	271,999	1	155,810	1
Items that will be reclassified subsequently to profit or loss, net of income tax								
Exchange differences on translation of financial statements of foreign operations	570,351	5	394,979	2	1,978,434	7	102,942	-
Share of the other comprehensive income (loss) of associates and joint ventures	95,903	1	117,834	1	343,014	1	79,652	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 41)	(357,831)	(3)	(152,000)	(1)	(1,110,409)	(4)	(1,038,914)	(4)
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(1,884,543)	(16)	(466,447)	(3)	(3,563,217)	(13)	832,400	3
Other comprehensive income (loss) on reclassification using the overlay approach (Note 8)	<u>10,818,724</u>	<u>91</u>	<u>3,952,846</u>	<u>24</u>	<u>29,432,725</u>	<u>107</u>	<u>24,251,948</u>	<u>86</u>
Other comprehensive income for the period, net of income tax	<u>7,475,281</u>	<u>63</u>	<u>4,319,425</u>	<u>26</u>	<u>27,006,729</u>	<u>98</u>	<u>25,020,328</u>	<u>88</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 16,212,113</u>	<u>137</u>	<u>\$ 10,961,954</u>	<u>66</u>	<u>\$ 43,959,332</u>	<u>160</u>	<u>\$ 35,167,431</u>	<u>124</u>

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KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2024		2023		2024		2023	
	Amount	%	Amount	%	Amount	%	Amount	%
NET PROFIT ATTRIBUTABLE TO:								
Owners of parent	\$ 8,738,754	74	\$ 6,640,353	40	\$ 16,952,656	62	\$ 10,142,778	36
Non-controlling interests	<u>(1,922)</u>	<u>-</u>	<u>2,176</u>	<u>-</u>	<u>(53)</u>	<u>-</u>	<u>4,325</u>	<u>-</u>
	<u>\$ 8,736,832</u>	<u>74</u>	<u>\$ 6,642,529</u>	<u>40</u>	<u>\$ 16,952,603</u>	<u>62</u>	<u>\$ 10,147,103</u>	<u>36</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of parent	\$ 16,213,202	137	\$ 10,962,978	66	\$ 43,956,513	160	\$ 35,165,717	124
Non-controlling interests	<u>(1,089)</u>	<u>-</u>	<u>(1,024)</u>	<u>-</u>	<u>2,819</u>	<u>-</u>	<u>1,714</u>	<u>-</u>
	<u>\$ 16,212,113</u>	<u>137</u>	<u>\$ 10,961,954</u>	<u>66</u>	<u>\$ 43,959,332</u>	<u>160</u>	<u>\$ 35,167,431</u>	<u>124</u>
EARNINGS PER SHARE (Note 42)								
Basic	<u>\$ 0.49</u>		<u>\$ 0.40</u>		<u>\$ 0.98</u>		<u>\$ 0.61</u>	
Diluted	<u>\$ 0.49</u>		<u>\$ 0.40</u>		<u>\$ 0.97</u>		<u>\$ 0.60</u>	

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

(Concluded)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of the Parent														
								Other Equity							
	Capital				Retained Earnings			Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Other Comprehensive Income (Loss) on Reclassified Using the Overlay Approach	Equity on Hedging Instruments	Others	Total Equity Attributable to Owners of the Parent	Non-controlling Interests	Total Equity
	Common Stock	Preferred Stock	Share Capital Awaiting Retirement	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings								
BALANCE AT JANUARY 1, 2023	\$ 168,453,886	\$ 15,821,424	\$ -	\$ 33,626,805	\$ 13,703,864	\$ 410,006	\$ 50,476,328	\$ (1,116,811)	\$ (13,728,907)	\$ (58,042,885)	\$ 3,301	\$ (943,738)	\$ 208,663,273	\$ 122,103	\$ 208,785,376
Appropriation of the 2022 earnings															
Legal reserve	-	-	-	-	1,909,777	-	(1,909,777)	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	48,566,551	(48,566,551)	-	-	-	-	-	-	-	-
	-	-	-	-	1,909,777	48,566,551	(50,476,328)	-	-	-	-	-	-	-	-
Share of profit or loss of associates and joint ventures accounted for using equity method	-	-	-	(15,741)	-	-	-	-	-	-	-	-	(15,741)	-	(15,741)
Net profit for the six months ended June 30, 2023	-	-	-	-	-	-	10,142,778	-	-	-	-	-	10,142,778	4,325	10,147,103
Other comprehensive income (loss) for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	184,560	1,669,842	23,167,892	645	-	25,022,939	(2,611)	25,020,328
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	-	-	10,142,778	184,560	1,669,842	23,167,892	645	-	35,165,717	1,714	35,167,431
Share-based payments	(61,000)	-	(15,080)	(95,781)	-	-	7,200	-	-	-	-	303,139	138,478	-	138,478
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,591)	(2,591)
Disposal of equity investments at fair values through other comprehensive income	-	-	-	-	-	-	782,705	-	(782,705)	-	-	-	-	-	-
Net changes in special reserve of subsidiaries	-	-	-	-	-	-	(42,066)	-	-	-	-	-	(42,066)	-	(42,066)
BALANCE AT JUNE 30, 2023	\$ 168,392,886	\$ 15,821,424	\$ (15,080)	\$ 33,515,283	\$ 15,613,641	\$ 48,976,557	\$ 10,890,617	\$ (932,251)	\$ (12,841,770)	\$ (34,874,993)	\$ 3,946	\$ (640,599)	\$ 243,909,661	\$ 121,226	\$ 244,030,887
BALANCE AT JANUARY 1, 2024	\$ 168,345,806	\$ 15,821,424	\$ (6,000)	\$ 33,588,602	\$ 15,613,641	\$ 48,976,557	\$ 19,775,079	\$ (1,364,704)	\$ (11,632,625)	\$ (25,848,289)	\$ 2,067	\$ (452,924)	\$ 262,818,634	\$ 132,002	\$ 262,950,636
Appropriation of the 2023 earnings															
Legal reserve	-	-	-	-	1,977,508	-	(1,977,508)	-	-	-	-	-	-	-	-
Special reserve reserved	-	-	-	-	-	(9,855,898)	9,855,898	-	-	-	-	-	-	-	-
Cash dividends - common shares	-	-	-	-	-	-	(8,414,813)	-	-	-	-	-	(8,414,813)	-	(8,414,813)
Cash dividends - preferred shares	-	-	-	-	-	-	(561,661)	-	-	-	-	-	(561,661)	-	(561,661)
	-	-	-	-	1,977,508	(9,855,898)	(1,098,084)	-	-	-	-	-	(8,976,474)	-	(8,976,474)
Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	16,952,656	-	-	-	-	-	16,952,656	(53)	16,952,603
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	2,318,174	(3,060,370)	27,745,651	402	-	27,003,857	2,872	27,006,729
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	16,952,656	2,318,174	(3,060,370)	27,745,651	402	-	43,956,513	2,819	43,959,332
Share-based payments	(24,000)	-	(228,817)	137,141	-	-	24,584	-	-	-	-	212,694	121,602	-	121,602
Changes in non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,222)	(2,222)
Disposal of equity investments at fair values through other comprehensive income	-	-	-	-	-	-	570,269	-	(570,269)	-	-	-	-	-	-
BALANCE AT JUNE 30, 2024	\$ 168,321,806	\$ 15,821,424	\$ (234,817)	\$ 33,725,743	\$ 17,591,149	\$ 39,120,659	\$ 36,224,504	\$ 953,470	\$ (15,263,264)	\$ 1,897,362	\$ 2,469	\$ (240,230)	\$ 297,920,275	\$ 132,599	\$ 298,052,874

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

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended	
	June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	\$ 20,955,154	\$ 10,539,707
Adjustments for reconciliation with net profit		
Depreciation expense	1,406,138	1,449,017
Amortization expense	770,041	750,253
Allowance (reversal of allowance) for bad debts and losses on commitments and guarantees, net	810,682	(55,353)
Loss (gain) on financial assets and liabilities measured at fair value through profit or loss, net	4,834,179	(10,049,419)
Interest expense	13,957,567	10,492,700
Interest revenue	(50,913,727)	(46,625,988)
Dividend income	(5,657,270)	(7,740,006)
Net changes in insurance liabilities	17,149,283	9,904,995
Net changes in reserve for changes in foreign exchange valuation	7,016,686	624,310
Compensation cost for share-based payments	97,018	131,278
Share of profit of associates and joint ventures	(391,518)	(1,614,982)
Loss on reclassification using the overlay approach	29,432,725	24,251,948
Gain on disposal of investments	(199,431)	(1,489,988)
Impairment loss on financial assets	341,246	396,608
Others	(72,440)	(40,624)
Changes in operating assets and liabilities		
Due from the Central Bank and call loans to financial institutions	(228,057)	514,356
Financial assets at fair value through profit or loss	(46,278,552)	(47,608,521)
Financial assets at fair value through other comprehensive income	(5,895,368)	(40,539,774)
Debt investments measured at amortized cost	(56,682,451)	14,261,227
Securities purchased under resell agreements	(1,279,915)	(2,885,161)
Receivables	(40,283,702)	(36,875,171)
Discounts and loans	(44,728,207)	3,811,208
Other financial assets	(8,111,823)	(4,360,084)
Other assets	(10,591,392)	5,922,056
Deposits from the Central Bank and financial institutions	(1,687,206)	(10,880,522)
Financial liabilities at fair value through profit or loss	(17,874,047)	(36,405,895)
Notes and bonds issued under repurchase agreements	40,313,295	28,238,658
Payables	22,497,295	28,819,201
Deposits and remittances	27,720,815	24,297,347
Other financial liabilities	19,767,239	5,929,149
Other liabilities	(163,992)	(1,242,343)
Cash used in operations	(83,969,735)	(78,079,813)
Interest received	38,270,761	37,924,186
Dividends received	4,729,239	4,046,904

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
Interest paid	\$ (13,303,619)	\$ (12,303,236)
Income tax paid	<u>(553,922)</u>	<u>(841,348)</u>
Net cash used in operating activities	<u>(54,827,276)</u>	<u>(49,253,307)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets measured at amortized cost	-	(700,460)
Disposal of financial assets measured at amortized cost	23,945	-
Proceeds from repayments of financial assets at amortised cost	203,002	-
Acquisition of financial assets at fair value through profit or loss	(481,092)	(235,220)
Disposal of financial assets at fair value through profit or loss	82,596	112,117
Acquisition of investments accounted for using equity method	(651,696)	(136,269)
Proceeds from capital reduction of investments accounted for using the equity method	45,623	350,051
Acquisition of property and equipment	(330,476)	(397,767)
Acquisition of investment properties	(108,888)	(36,318)
Proceeds from disposal of investment properties	336,542	231,679
Others	<u>148,018</u>	<u>(26,950)</u>
Net cash used in investing activities	<u>(732,426)</u>	<u>(839,137)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	9,658,277	7,737,746
Increase in commercial paper payable	43,451,342	10,613,692
Proceeds from corporate bonds	3,000,000	-
Repayments of corporate bonds	(39,319)	(20,000)
Repayments of bank notes payable	(700,000)	-
Proceeds from long-term borrowings	199,989	800,084
Repayments of long-term borrowings	-	(2,000,009)
Repayments of the principal portion of lease liabilities	(353,033)	(447,440)
Net changes in non-controlling interests	(2,222)	(2,591)
Others	<u>25,185</u>	<u>7,200</u>
Net cash generated from financing activities	<u>55,240,219</u>	<u>16,688,682</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>(123,534)</u>	<u>(39,778)</u>

(Continued)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
NET DECREASE IN CASH AND CASH EQUIVALENTS	\$ (443,017)	\$ (33,443,540)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>151,519,882</u>	<u>200,161,850</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 151,076,865</u>	<u>\$ 166,718,310</u>

Reconciliation of the amounts in the consolidated statements of cash flows with the equivalent items reported in the consolidated balance sheets as of June 30, 2024 and 2023:

	June 30	
	2024	2023
Cash and cash equivalents in consolidated balance sheets	\$ 62,995,877	\$ 67,647,898
Due from the Central Bank and call loans to banks which qualify as cash and cash equivalents as defined in IAS 7	11,800,559	43,048,420
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	<u>76,280,429</u>	<u>56,021,992</u>
Cash and cash equivalents in consolidated statements of cash flows	<u>\$ 151,076,865</u>	<u>\$ 166,718,310</u>

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

(Concluded)

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES

(Formerly China Development Financial Holding Corporation)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2024 AND 2023 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

KGI Financial Holding Co., Ltd. (formerly China Development Financial Holding Corporation (the “Company”)) was established by CDIB Capital Group (formerly China Development Industrial Bank) through a share swap on December 28, 2001 made under the Financial Holding Company Act and related regulations. The Company was approved by the Financial Supervisory Commission and the Ministry of Economic Affairs to change its name to KGI Financial Holding Co., Ltd. on July 10, 2024 and August 8, 2024, respectively.

The Company acquired First Taiwan Securities Corporation (First Taiwan) and Grand Cathay Securities Corporation (Grand Cathay) through a share swap on November 8, 2002. The effective date of the merger between Grand Cathay and First Taiwan was December 31, 2003. Grand Cathay was the survivor company after the merger.

In 2012, the Company acquired 81.73% of KGI Securities’ shares through public tender offer. Afterwards, the Company acquired KGI Securities’ remaining shares through a share swap and completed on January 18, 2013. Thus, KGI Securities is a 100% subsidiary of the Company. The effective date of the merger between KGI Securities and Grand Cathay was June 22, 2013. KGI Securities was the survivor company after the merger.

On September 15, 2014, the Company acquired KGI Bank Co., Ltd. (KGI Bank) through a share swap. Thus, KGI Bank became the Company’s wholly owned subsidiary.

On March 13, 2017, the Company hold 100% equity interests of China Development Asset Management Corporation, which was previously held by CDIB Capital Group.

On 2017, the Company acquired 25.33% ordinary shares of KGI Life Insurance through public tender offer. After the acquisition, KGI Life Insurance became a subsidiary of the Company as defined by the Financial Holding Company Act. After the participation of capital increase by cash of KGI Life Insurance and acquisition of ordinary shares through public tender offer, on December 30, 2021, the Company acquired KGI Life Insurance through a share swap. Thus, KGI Life Insurance became the Company’s wholly owned subsidiary.

On July 1, 2023, the Company acquired 100% equity interests in KGI Securities Investment Trust Co., Ltd, which were previously held by KGI Securities.

The Company mainly engages in financial holding, invests in and manages the businesses of finance-related institutions domestic and foreign approved by authorities and investees.

The Company’s shares have been listed on the Taiwan Stock Exchange (TSE).

CDIB Capital Group was incorporated under the Company Act and relevant regulations and started operations on May 14, 1959. Effective January 1999, CDIB Capital Group was converted from a trust corporation into an industrial bank under government approval. On May 1, 2015, CDIB Capital Group transfer banking business to KGI Bank. On March 15, 2017, China Development Industrial Bank was converted, and the name became CDIB Capital Group, and main operations included securities investment, investment financial related business and venture capital, etc.

KGI Securities was established on September 14, 1988, and operates as a securities underwriter, dealer, broker, future trading, future dealer, trust, wealth management, offshore securities and other related business as approved by authorities.

KGI Bank was established on January 14, 1992, and mainly engages in banking operations are regulated under the banking Act.

China Development Asset Management Corporation was established on November 5, 2003, and mainly engages in acquiring and disposal of debts from financial institution, investment in foreclosed real estate, etc.

KGI Life Insurance was incorporated in Taiwan on April 25, 1963, and is mainly engaged in the business of life insurance, offshore life insurance paid and received for foreign currency and other insurance-related businesses approved by competent authorities.

KGI Securities Investment Trust Co., Ltd. was established on April 19, 2001, and is mainly engaged in Nominee services, discretionary investment services, and other related business approved by authorities.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on August 19, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed by the FSC

The related amendments to the International Financial Reporting Standards (IFRS Accounting Standards) did not have any material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2025

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note)

Note: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments to IAS 21, the Group shall not restate the comparative information and shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or, if applicable, to the cumulative amount of translation differences in equity as well as affected assets or liabilities.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note)
Annual Improvements to IFRS Accounting Standards - Volume 11	January 1, 2026
Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”	January 1, 2026
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 - Comparative Information”	January 1, 2023
IFRS 18 “Presentation and Disclosure in Financial Statements”	January 1, 2027
IFRS 19 “Subsidiaries without Public Accountability: Disclosures”	January 1, 2027

Note: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

1) Amendments to IFRS 9 and IFRS 7 “Amendments to the Classification and Measurement of Financial Instruments”

The amendments mainly amend the requirements for the classification of financial assets, including if a financial asset contains a contingent feature that could change the timing or amount of contractual cash flows and the contingent event itself does not relate directly to changes in basic lending risks and costs (e.g., whether the debtor achieves a contractually specified reduction in carbon emissions), the financial asset has contractual cash flows that are solely payments of principal and interest on the principal amount outstanding if, and only if:

- In all possible scenarios (before and after the occurrence of a contingent event), the contractual cash flows are solely payments of principal and interest on the principal amount outstanding; and
- In all possible scenarios, the contractual cash flows would not be significantly different from the contractual cash flows on a financial instrument with identical contractual terms, but without such a contingent feature.

The amendments also stipulate that, when settling a financial liability in cash using an electronic payment system, an entity can choose to derecognize the financial liability before the settlement date if, and only if, the entity has initiated a payment instruction that resulted in:

- The entity having no practical ability to withdraw, stop or cancel the payment instruction;
- The entity having no practical ability to access the cash to be used for settlement as a result of the payment instruction; and
- The settlement risk associated with the electronic payment system being insignificant.

2) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

The amendments stipulated that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Group loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Group sells or contributes assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated. Also, when the Group loses control of a subsidiary that does not contain a business but retains significant influence control in an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Group’s interest as an unrelated investor in the associate, i.e., the Group’s share of the gain or loss is eliminated.

3) IFRS 17 “Insurance Contract” and its amendments

IFRS 17 establishes the principle for the accounting treatment of insurance contracts and supersedes IFRS 4 “Insurance Contract”. The principle is as follows:

Level of aggregation

An entity shall identify portfolios of insurance contracts. A portfolio comprises contracts that are subject to similar risks and managed together. Contracts within a particular product line, such as motor policies, are expected to have similar risks, and if they are managed together would be in the same portfolio. For all issued insurance contracts in a portfolio, any entity shall divide it into:

- a) A group of contracts that are onerous at initial recognition, if any;
- b) A group of contracts that at initial recognition have no significant risk of becoming onerous, if any, and
- c) A group of the remaining contracts in the portfolio, if any.

An entity is not permitted to include contracts issued more than one year apart in the same group, and shall apply IFRS 17 recognition and measurement principles to the contract groups decided to be issued.

Recognition

An entity shall recognize a group of insurance contracts it issues from the earliest of:

- a) The beginning of the coverage period of a group of insurance contracts;
- b) The date when the first payment from a policyholder of the group becomes due; and
- c) When the Group becomes onerous.

Measurement

On initial recognition, an entity shall measure a group of contracts at the total of the amount of fulfilment cash flows (“FCF”) and the contractual service margin (“CSM”). FCF comprises the estimate of future cash flow, an adjustment to reflect the time value of money and the financial risks associated with the future cash flows and risk adjustment for non-financial risk. The CSM represents the unearned profit the entity will recognize as it provides services in the future. This is measured on initial recognition of a group of insurance contracts at an amount that, unless the Group of contracts is onerous, results in no income or expenses arising from:

- a) The initial recognition of an amount for the FCF;
- b) The cash inflows and outflows arising from the contracts in the Group at that date; and
- c) The derecognition at that date of below items for acquisition cash flows:
 - i. Any asset recognized for acquisition cash flows; and
 - ii. Any other asset or liability related to a group of contracts that had been recognized for cash flows before.

Subsequent measurement

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts is remeasured to be the sum of the liability for remaining coverage and the liability for incurred claims, both determined as at that date. The liability for remaining coverage comprises the fulfilment cash flows related to the allocated future service and the contractual service margin; the liability for incurred claims comprises the fulfilment cash flows related to the allocated past service. If a group of insurance contracts becomes onerous (or more onerous) on subsequent measurement, the Group recognizes loss immediately.

Onerous contracts

An insurance contract is onerous at initial recognition if the total of the FCF, any previously recognized acquisition cash flows and any cash flows arising from the contract at that date is a net outflow. An entity shall recognize a loss in profit or loss for the net outflow, resulting in the carrying amount of the liability for the Group being equal to the FCF and the CSM of the Group being zero. The CSM cannot increase and no revenue can be recognized, until the onerous amount previously recognized has been reversed in profit or loss as part of a service expense.

Premium allocation approach

An entity may simplify the measurement of the liability for remaining coverage of a group of insurance contracts using the premium allocation approach (PAA) on the condition that:

- a) The entity reasonably expects that this will be an approximation of General Model; or
- b) The coverage period of each contract in the group is one year or less.

If at the inception of the Group, an entity expects significant variance in the FCF during the period before a claim is incurred, such contracts are not eligible to condition (a).

Using the PAA, the liability for remaining coverage shall be:

- a) Initially recognized at the premiums;
- b) Received at initial recognition, minus any insurance acquisition cash flows if any; and
- c) The derecognition at that date of below items for acquisition cash flows:
 - i. Any asset recognized for acquisition cash flows; and
 - ii. Any other asset or liability related to a group of contracts that had been recognized for cash flows before.

Subsequently, the liability for remaining coverage should be adjusted as plus the premiums received and the amortization of insurance acquisition cash flows and minus the amount recognized as insurance revenue for services provided and any investment component paid or transferred to the liability for incurred claims in the period.

Investment contracts with a discretionary participation feature

An investment contract with a discretionary participation feature (DPF) is a financial instrument and it does not include a transfer of significant insurance risk. It is in the scope of IFRS 17 only if the issuer also issues insurance contracts.

Modification and derecognition

If the terms of an insurance contract are modified, an entity shall derecognize the original contract and recognize the modified contract as a new contract if there is a substantive modification, based on meeting any of the specified criteria.

An entity shall de-recognize an insurance contract when it is extinguished or substantially modified.

Transition

An entity shall apply IFRS 17 retrospectively unless impracticable, in which case entities have the option of using either the modified retrospective approach or the fair value approach.

Under the modified retrospective approach, an entity shall utilize reasonable and supportable information and maximize the use of information that would have been used to apply a full retrospective approach but need only use information available without undue cost or effort. Fair value approach shall be used if the information is not reasonable and supportable information.

Under the fair value approach, an entity determines the CSM at the transition date as the difference between the fair value of a group of insurance contracts at that date and the FCF measured at that date.

Redesignation of financial assets

At the date of initial application of IFRS 17, an entity to which IFRS 9 has applied may redesignate and reclassify financial assets that meet the requirements of paragraph C29 of IFRS 17. The entity is not required to restate comparative information to reflect changes in the reclassification of these assets, so the difference between the previous carrying amount of these financial assets and their carrying amount at the date of initial application is recognized in the initial retained earnings (or other equity as appropriate) at the date of initial application. If an entity restates the comparative information, the restatement must reflect the requirements of IFRS 9 for these affected financial assets.

In addition, for enterprises that have applied IFRS 9 before the initial application of IFRS 17, for financial assets that have been delisted in the comparative period on the date of the initial application of IFRS 17, the enterprise could choose to apply the classification overlay method on the basis of individual financial asset requirements as if those financial assets had been reclassified in the comparative period in accordance with the redesignation requirements in paragraph C29 of IFRS 17.

4) IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will supersede IAS 1 “Presentation of Financial Statements”. The main changes comprise:

- Items of income and expenses included in the statement of profit or loss shall be classified into the operating, investing, financing, income taxes and discontinued operations categories.
- The statement of profit or loss shall present totals and subtotals for operating profit or loss, profit or loss before financing and income taxes and profit or loss.
- Provides guidance to enhance the requirements of aggregation and disaggregation: The Group shall identify the assets, liabilities, equity, income, expenses and cash flows that arise from individual transactions or other events and shall classify and aggregate them into groups based on shared characteristics, so as to result in the presentation in the primary financial statements of line items that have at least one similar characteristic. The Group shall disaggregate items with dissimilar characteristics in the primary financial statements and in the notes. The Group labels items as “other” only if it cannot find a more informative label.
- Disclosures on Management-defined Performance Measures (MPMs): When in public communications outside financial statements and communicating to users of financial statements management’s view of an aspect of the financial performance of the Group as a whole, the Group shall disclose related information about its MPMs in a single note to the financial statements, including the description of such measures, calculations, reconciliations to the subtotal or total specified by IFRS Accounting Standards and the income tax and non-controlling interests effects of related reconciliation items.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing other impacts of the above amended standards and interpretations on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with Regulations Governing the Preparation of Financial Reports by Financial Holding Companies, Regulations Governing the Preparation of Financial Reports by Public Banks, Regulations Governing the Preparation of Financial Reports by Securities Firms, Regulations Governing the Preparation of Financial Reporting by Futures Commission Merchants, Regulations Governing the Preparation of Financial Reports by Securities Issuers, Regulations Governing the Preparation of Financial Reports by Insurance Enterprises and IAS 34 “Interim Financial Reporting” endorsed by the FSC. Disclosure information included in the interim financial report is less than disclosures required in a full set of annual financial statement.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

All the consolidated accounts in the financial statements were categorized according to the nature of each account and sequenced by their liquidity rather than classified as current or noncurrent assets/liabilities.

Principles for Preparing Consolidated Financial Statements

The consolidated financial statements include the financial statements of the Group. All significant intra-group transactions, balances, income and expenses have been eliminated in full upon consolidation.

The accounting policies of the subsidiary are applied consistently with the Company.

The functional currency of the Company is the New Taiwan dollar, and the consolidated financial statements are presented in New Taiwan dollars.

As of June 30, 2024, December 31, 2023 and June 30, 2023, the consolidated entities included in the consolidated financial statements included 62, 62 and 60 companies, respectively (refer to the attached Table 6).

Financial Instruments

Financial assets and financial liabilities are recognized when the Company and its subsidiaries become a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial assets and liabilities

All regular way purchases or sales of financial assets and liabilities are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

a. Measurement category

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at FVTOCI and investments in equity instruments at FVTOCI.

1) Financial assets or liabilities at FVTPL

Financial assets or liabilities are classified as at FVTPL when such financial assets or liabilities are mandatorily classified or designated as at FVTPL. Financial assets or liabilities mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

A financial asset or liability may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 48.

2) Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

- a) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
- b) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

3) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

4) Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost and investments in debt instruments that are measured at FVTOCI.

For financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

Based on the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual loans, credit assets classified as normal (this balance should be net of the balance of borrowings by ROC government agencies from the Bank), special mention, substandard, with doubtful collectability and uncollectable or loss incurring are evaluated on the basis of the borrowers'/clients' financial condition and delinquency record on interest payments.

These assets have allowances at 1%, 2%, 10%, 50% and 100%, respectively, of outstanding credit. The doubtful accounts of credit cards receivables are evaluated on the basis of Regulations Governing Institutions Engaging in Credit Card Business. The minimum allowance for credit assets on or off balance sheet is equal to the book value of the above listed.

Based on the Order No. 10300329440 issued by the FSC, for the Bank to have an enhanced risk coverage toward collateral and exposures in Mainland China, the minimum provision for the loan loss reserve is 1.5% of the mortgage and construction loans that have been classified as normal assets before 2016. Based on the Order No. 10410001840 issued by the FSC, for the Bank to have an enhanced control of the exposure to the risk in Mainland China, the minimum provision for the credit loss reserve is 1.5% of the credit include short-term trade finance that were granted to companies based in Mainland China before 2015 and classified as normal assets.

Credit deemed uncollectable may be written off under the approval of the board of directors.

In accordance with the regulation of “Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises”, KGI Life is required to record the minimum amounts based upon each of the following category for allowance of uncollectible accounts:

- 1) Total amount of 0.5% of the ending balance for the first category of loan assets excluding life insurance loans, automatic premium loans and holding government debts, 2% of the ending balance for the second category of loan assets that should be paid attention, 10% of the ending balance for the third category of loan assets that are expected to recover, 50% of the ending balance for the fourth category of loan assets that are difficult to recover and 100% of the ending balance for the fifth category of loan assets that are not expected to recover are aggregated.
- 2) 1% of the ending balance for all the five categories of loan assets excluding life insurance loans, automatic premium loans and holding government debts.
- 3) Total unsecured portion of loans overdue and receivable on demand.
- 4) If total amount of minimum allowance of uncollectible accounts measured from the categories above are less than the amount in accordance with GAAP, it should refer to the amount in accordance with GAAP as minimum allowance of uncollectible accounts. If the authorities in order to increase the ability to bear the loss of specific loan asset and demand the Group to increase the allowance for bad debts of specific loan assets according to the criteria and time limit specified by them, the Group shall cooperate with it.

To strengthen the ability to bear the loss of specific loan assets, the authority may, if necessary, require the Company to raise loan loss provision for specific loan assets in specified criteria and deadlines.

Insurance Liabilities and Reserve for Insurance Contracts with Feature of Financial Instruments

KGI Life Insurance’s reserved funds for insurance contracts and financial instruments whether with or without discretionary participation feature are made in accordance with “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises.” Furthermore, they have been validated by the certified actuarial professionals approved by Financial Supervisory Commission. The required amount to be reserved for short-term group insurance is based upon the greater of premium received or calculated premium following the Order No. Financial Supervisory-Insurance-Corporate-11004925801. Reserved amount for the rest of other provisions is addressed below:

Moreover, KGI Life Insurance’s insurance contract with discretionary participation feature is classified as liability.

a. Unearned premium reserve

For the insurance policy whose term is within one year and has not met the due date or for the injury insurance policy whose term is over one year, the amount of reserve required is based upon the unexpired risk calculation.

b. Reserve for claims

It is a reserve mainly for the reported but not paid claims and unreported claims. The reported but not paid claims reserve is assessed based on relevant information of each case and the amount deposited is further classified by the type of insurance. Unreported claims reserve is calculated and deposited based on the past experiences and expenses occurred and in accordance with the actuarial principles.

c. Reserve for life insurance liabilities

Based on the life table and projected interest rates in the manual provided by the authority for each type of insurance, the dollar amount of life insurance reserve is calculated and deposited according to the calculation method listing on Article 12 of “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and the manual published by each authority of insurance products.

Starting from policy year of 2003, for valid insurance contract whose dividend calculation is stipulated by the Order No. Financial Supervisory-Insurance-Corporate-11004931041, the downward adjustments of dividend due to the offset between mortality saving (loss) and loss (gain) from difference of interest rates should be recognized and recorded as the increase of reserve for long-term valid contract.

d. Special reserve

- 1) For the retained businesses with policy period within 1 year, the special reserve is classified into 2 categories, “Special Capital Reserve - Special Reserve for Major Incidents” and “Special Capital Reserve - Special Reserve for Fluctuation of Risks.” The dollar amount of reserve required is addressed as follows:

- a) Special capital reserve - special reserve for major incidents

All types of insurance should follow the special catastrophe reserve rates set by authorities. Upon occurrence of the catastrophic events, actual claims on retained business in excess of NT\$30,000 thousand can be withdrawn from the reserve. If the reserve has been set aside for over 15 years, China Life Insurance could have its plan of the recovering process of the reserve assessed by certified actuaries and submit the plan to the authority for reference.

- b) Special capital reserve - special reserve for fluctuation of risks

When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is less than the anticipated dollar amount need to be paid, the 15% of this difference should be reserved in special reserve for fluctuation of risks. When the actual amount paid for indemnity minus the offsetting amount from special reserve for major incidents is greater than the anticipated dollar amount needs to be paid, the exceeded amount can be used to write down the special reserve for fluctuation of risks. If the special reserve for fluctuation of risks for specified type of insurance is not enough to be written down, special reserve for fluctuation of risks for other types of insurance can be used. Also, the type of insurance and total dollar amount written down should be reported to the authority for inspection purpose. When accumulative dollar amount of special reserve for fluctuation of risks exceeds 30% of self-retention earned premium within one year, the exceeded amount will be recovered.

For special reserves for major incidents and special reserve for fluctuation of risks addressed previously, the balance of the annual reserve net of tax, the post-tax amount of appropriated and written down or recovery would be recorded in the special capital reserve under equity.

- 2) KGI Life Insurance sells participating life insurance policy. According to the “Rule Governing application of revenue and expenses related to participating/non-participating policy”, the Company is required to set aside special reserve for dividend participation based on income before tax and dividend. On the date of declaration, dividend should be withdrawn from this account. The excess dividend should be accounted as special reserve for dividend risks. Additionally, the effects of the gain or loss from disposal of participating life insurance policy approved as equity instrument investments at fair value through other comprehensive income shall transfer directly into special reserve based on income before tax and dividend. If the special reserve is a negative amount, the Company shall set aside the same amount of special reserve.

e. Premium deficiency reserve

For the contracts over one year of life, health, or annuities insurance commencing on January 1, 2001, the following rules apply: When the gross premium is less than the valuation net premium, a deficiency reserve is required to be set aside with the value of an annuity, the amount of which shall equal the difference between such premiums and the term of which in years shall equal the number of future annual payments due on such insurance at the date of the valuation.

In addition, for the insurance policy which period is within one year and has not met the due date or accidental insurance policy over one year, the following rules apply: If the probable indemnities and expenses are greater than the aggregate of unearned premium reserves and collectable premiums in the future, the premium deficiency reserve is set aside based on the difference thereof.

f. Other reserve

Pursuant to IFRS 3 “Business Combination”, the Company shall set aside other reserve for identifiable assets required and liabilities assumed recorded at fair value in order to reflect the fair value of the insurance contract assumed.

g. Liability adequacy reserve

This is the reserve that is set aside based on the adequacy test of liability required by IFRS 4 Insurance Contracts.

KGI Life’s adequacy test of liability is based on the company’s overall contracts and complies with the relevant standards issued by the Actuarial Institute of Republic of China (Taiwan). The test compares the net carrying amount of insurance liabilities, net of deferred acquisition costs and related intangible assets, with the current estimate of future cash flows from insurance contracts at each balance sheet date. If the net carrying amount is insufficient, all shortfalls are recognized as a provision for liabilities adequacy.

h. Reserves for insurance contracts with feature of financial instruments

Financial products without discretionary participation features follows “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises” and Depository Accounting.

Other Significant Accounting Policy

Except for the following description, the accounting policies of the consolidated financial statements are applied consistently with the consolidated financial statements for the year ended December 31, 2023.

Retirement Benefit Costs

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

Income Tax Expense

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings. The effect of a change in tax rate resulting from a change in tax law is recognized consistent with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

a. Impairment loss on discounts and loans

The management regularly reviews discounts and loans to assess impairment in accordance with IFRS 9. To determine whether an impairment loss should be recognized, the management assesses whether there has been a significant increase in credit risk or credit impairment has already occurred. When analyzing expected future cash flows, the management takes into account past events, present condition and future economic circumstances of the assets with similar credit risks. The management also regularly reviews the methodology and assumptions adopted for both expected future cash flows and their timing to decrease the difference between estimated and actual amount of impairment loss. In addition, the management assure the impairment loss meet the standard based on the Regulations Governing the Procedures for Banking Institutions. Furthermore, the estimate of the probability of default and the loss given default are subject to greater uncertainties in the current year due to impact of fluctuations in market interest rate on credit risk of financial assets.

b. Assessment of insurance liabilities and liability adequacy reserve

Management uses actuarial model and several material assumptions when assessing the insurance liabilities and liability adequacy reserve. The assumptions were based on the principles embodied in the relevant laws and regulations, which cover the unique risk exposure, product characteristics and experiences from target markets of KGI Life Insurance. The assessment of liability adequacy reserve is in compliance with the relevant norms promulgated by The Actuarial Institute of the Republic of China. When KGI Life Insurance assesses the liability adequacy reserve, the estimated present value of future cash flows of insurance contracts is based on reasonable estimate of future insurance payments, premium income and related expenses.

6. CASH AND CASH EQUIVALENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks	\$ 44,216,393	\$ 49,087,340	\$ 54,738,175
Due from banks	12,470,281	17,657,401	6,040,568
Others	<u>6,309,203</u>	<u>6,120,032</u>	<u>6,869,155</u>
	<u>\$ 62,995,877</u>	<u>\$ 72,864,773</u>	<u>\$ 67,647,898</u>

Cash and cash equivalents as of December 31, 2023 as shown in the consolidated statement of cash flows can be reconciled to the related items in the balance sheets as follows; refer to the consolidated statement of cash flows for the reconciliation information as of June 30, 2024 and 2023.

	December 31, 2023
Cash and cash equivalents in consolidated balance sheet	\$ 72,864,773
Due from the Central Bank and call loans to financial institutions which qualify as cash and cash equivalents as defined in IAS 7	12,331,755
Securities purchased under agreements to resell which qualify as cash and cash equivalents as defined in IAS 7	<u>66,323,354</u>
Cash and cash equivalents in consolidated statement of cash flow	<u>\$ 151,519,882</u>

7. DUE FROM THE CENTRAL BANK AND CALL LOANS TO FINANCIAL INSTITUTIONS

	June 30, 2024	December 31, 2023	June 30, 2023
Call loans to financial institutions	\$ 5,435,262	\$ 9,485,620	\$ 39,438,449
Deposit reserve - demand accounts	13,387,717	12,306,162	12,782,416
Deposit reserve - checking accounts	6,610,464	4,068,943	4,422,046
Due from the Central Bank - interbank settlement funds	3,718,748	3,606,610	3,708,307
Deposit reserve - foreign currencies	<u>227,150</u>	<u>215,145</u>	<u>217,945</u>
	<u>\$ 29,379,341</u>	<u>\$ 29,682,480</u>	<u>\$ 60,569,163</u>

Under a directive issued by the Central Bank of the ROC, New Taiwan dollar (NTD) - denominated deposit reserve is determined monthly at prescribed rates based on average balance of the Bank's deposits. Deposit reserve - demand account should not be used, except for adjusting the deposit reserve account monthly.

In addition, separate foreign-currency deposit reserves are determined at prescribed rates based on balances of foreign-currency deposits. These reserves may be withdrawn anytime at no interest.

There are no certificates of deposit issued by the Central Bank of the ROC pledged as collateral for the Group.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets mandatorily classified as at <u>FVTPL</u>			
Derivative financial instruments			
Currency swap and forward exchange contracts	\$ 22,780,976	\$ 44,301,950	\$ 26,406,982
Options and futures contracts	9,695,184	5,522,350	5,280,461
Interest rate swap contracts	6,880,125	4,017,850	5,392,561
Others	596,697	639,313	754,205
			(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Non-derivative financial assets			
Shares	\$ 254,025,720	\$ 189,422,819	\$ 189,702,207
Mutual funds	197,154,853	184,741,071	199,188,753
Corporate bonds	55,933,592	50,566,015	52,569,852
Bank debentures	52,645,549	47,259,841	50,879,446
Commercial paper	13,206,235	11,909,838	14,677,681
Others	4,461,641	4,090,299	4,591,554
	<u>617,380,572</u>	<u>542,471,346</u>	<u>549,443,702</u>
<u>Financial assets designated as at FVTPL</u>			
Others	<u>9,023,692</u>	<u>8,446,585</u>	<u>8,542,326</u>
Financial assets at FVTPL	<u>\$ 626,404,264</u>	<u>\$ 550,917,931</u>	<u>\$ 557,986,028</u>
<u>Financial liabilities held for trading</u>			
Derivative financial instrument			
Currency swap and forward exchange contracts	\$ 37,978,943	\$ 30,570,634	\$ 44,915,791
Options and futures contracts	8,495,687	6,328,889	6,398,702
Interest rate swap contracts	6,591,928	3,781,998	4,795,734
Structured products	4,892,342	3,098,050	3,591,167
Others	3,316,263	2,542,628	2,862,333
Non-derivative financial liabilities			
Borrowed securities payable	7,264,477	7,522,875	7,171,523
Others	3,439,810	697,778	1,381,205
	<u>71,979,450</u>	<u>54,542,852</u>	<u>71,116,455</u>
<u>Financial liabilities designated as at FVTPL</u>			
Structured products	6,573,792	7,937,195	9,275,930
Others	-	1,063	951
	<u>6,573,792</u>	<u>7,938,258</u>	<u>9,276,881</u>
Financial liabilities at FVTPL	<u>\$ 78,553,242</u>	<u>\$ 62,481,110</u>	<u>\$ 80,393,336</u>
			(Concluded)

KGI Life Insurance elected to adopt the overlay approach in expressing financial assets designated as at FVTPL under IFRS 4 “Insurance Contracts” starting from application of IFRS 9. Investment of financial assets relating insurance contracts issued by KGI Life Insurance designated as at adoption of the overlay approach financial assets were as follows:

Financial assets mandatorily classified as at FVTPL

	June 30, 2024	December 31, 2023	June 30, 2023
Shares	\$ 197,853,479	\$ 164,345,519	\$ 157,817,235
Mutual funds	179,627,536	171,271,175	187,947,826
Bank debentures	40,797,322	41,585,764	41,372,536
Corporate bonds	5,548,487	5,105,865	5,174,223
	<u>\$ 423,826,824</u>	<u>\$ 382,308,323</u>	<u>\$ 392,311,820</u>

For the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023, reclassification amount under profit or loss and other comprehensive income of designated as at adoption of the overlay approach financial assets is described as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Gain (loss) on application of IFRS 9	\$ 21,720,361	\$ 12,173,742	\$ 48,385,632	\$ 36,506,824
Loss (gain) on application of IAS 39	<u>(10,901,637)</u>	<u>(8,220,896)</u>	<u>(18,952,907)</u>	<u>(12,254,876)</u>
Gain (loss) on reclassification using the overlay approach	<u>\$ 10,818,724</u>	<u>\$ 3,952,846</u>	<u>\$ 29,432,725</u>	<u>\$ 24,251,948</u>

Due to the adjustments of the overlay approach, gain on financial assets measured at FVTPL decreased from \$7,173,464 thousand to loss of \$3,645,260 for the three months ended June 30, 2024; and loss on financial assets measured at FVTPL increased from \$9,161,692 thousand to loss of \$13,114,538 for the three months ended June 30, 2023. The gain on financial assets measured at FVTPL decreased from \$681,522 thousand to a loss of \$28,751,023 thousand for the six months ended June 30, 2024; the gain on financial assets measured at FVTPL decreased from \$17,515,739 thousand to a loss of \$6,736,209 thousand for the six months ended June 30, 2023.

As of June 30, 2024, December 31, 2023 and June 30, 2023, financial assets at fair value through profit or loss with aggregate carrying values of \$59,055,858 thousand, \$49,067,269 thousand and \$51,452,446 thousand, respectively, had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the information on financial instruments at fair value through profit or loss pledged as collateral for the Group, refer to Note 45.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	June 30, 2024	December 31, 2023	June 30, 2023
Investments in debt instruments at FVTOCI			
Corporate bonds	\$ 87,792,202	\$ 85,336,186	\$ 81,910,394
Government bonds	75,110,816	72,792,200	68,412,577
Bank debentures	51,292,685	55,105,826	52,995,882
Negotiable certificates of deposit	-	2,433,259	18,623,894
Others	<u>6,299,929</u>	<u>3,391,974</u>	<u>5,090,882</u>
	<u>220,495,632</u>	<u>219,059,445</u>	<u>227,033,629</u>
Investments in equity instruments at FVTOCI			
Common stocks	20,145,437	18,741,361	19,915,056
Preferred stocks	<u>11,620,587</u>	<u>11,559,808</u>	<u>11,560,715</u>
	<u>31,766,024</u>	<u>30,301,169</u>	<u>31,475,771</u>
	<u>\$ 252,261,656</u>	<u>\$ 249,360,614</u>	<u>\$ 258,509,400</u>

a. Investments in debt instruments at FVTOCI

As of June 30, 2024, December 31, 2023 and June 30, 2023, investments in debt instruments at FVTOCI, with aggregate carrying values of \$89,127,450 thousand, \$67,514,613 thousand and \$66,077,966 thousand had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the information on investments in debt instruments at FVTOCI pledged as collateral for the Group, refer to Note 45.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at FVTOCI, refer to Note 50.

b. Investments in equity instruments at FVTOCI

For the six months ended June 30, 2024 and 2023, the Group sold its shares in order to manage its investment portfolio. The sold shares had a fair value of \$7,673,452 thousand and \$4,682,317 thousand, respectively. The Group transferred a gain of \$570,269 thousand and a gain of \$820,629 thousand from other equity related-unrealized gain on financial assets at fair value through other comprehensive income to retained earnings.

For the three months ended June 30, 2024 and 2023, dividend income was \$107,439 thousand and \$252,919 thousand, respectively, and for the six months ended June 30, 2024 and 2023, dividend income was \$142,184 thousand and \$275,681 thousand, respectively, and those related to investment held as for the six months ended June 30, 2024 and 2023 were \$56,104 thousand and \$257,703 thousand, respectively, and those related to investment derecognized for the six months ended June 30, 2024 and 2023 were \$86,080 thousand and \$17,978 thousand, respectively.

There are no investments in equity instruments at FVTOCI pledged as collateral for the Group.

10. FINANCIAL ASSETS AT AMORTIZED COST

	June 30, 2024	December 31, 2023	June 30, 2023
Bank debentures	\$ 838,758,566	\$ 792,167,984	\$ 790,470,463
Corporate bonds	585,320,313	567,064,085	574,911,282
Government bonds	235,692,933	247,451,871	246,562,462
Others	<u>65,185,166</u>	<u>61,333,741</u>	<u>53,294,726</u>
	<u>\$ 1,724,956,978</u>	<u>\$ 1,668,017,681</u>	<u>\$ 1,665,238,933</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, investments in debt instruments at amortized cost, with aggregate carrying values of \$2,790,390 thousand, \$927,945 thousand and \$2,484,475 thousand had been sold under repurchase agreements (recognized as notes and bonds issued under repurchase agreements).

For the three months ended June 30, 2024 and 2023 and the six months ended June 30, 2024 and 2023, financial assets at amortized cost are derecognized because the credit risk is increasing, seldomly sold, or both individually and totally amounts are lower than the materiality. The Company recognizes the loss on disposal of \$164,480 thousand for the three months ended June 30, 2024 and the gain on disposal of \$112,787 thousand for the three months ended June 30, 2023. The loss on disposal was \$238,691 thousand for the six months ended June 30, 2024. The gain on disposal was \$986,937 thousand for the six months ended June 30, 2023.

For the information on investments in debt instruments at amortized cost that are pledged as collateral for the Group, refer to Note 45.

For the information regarding credit risk analysis and assessment of impairment on investments in debt instruments at amortized cost, refer to Note 50.

11. FINANCIAL INSTRUMENTS FOR HEDGING

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Financial assets for hedging</u>			
Fair value hedge - interest rate swap	\$ 997,658	\$ 835,695	\$ 1,685,211
<u>Financial liabilities for hedging</u>			
Fair value hedge - interest rate swap	\$ 973,786	\$ 697,122	\$ 704,447

Fair Value Hedges

The Group is exposed to the risk of adverse fair value fluctuations due to changes in interest rates for the debt instruments and bank debentures issued. Since the risk is considered material, the Group enters into interest rate swap contracts to hedge against this risk.

The following tables summarize the information relating to the hedges for interest rate risk.

June 30, 2024

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Asset	Liability
Fair value hedge					
Interest rate swap contracts	\$ 43,071,900	2026.01.26-2038.03.25	Financial assets and liabilities for hedging	\$ 997,658	\$ 973,786
Hedged Items	Carrying Amount			Accumulated Amount of Fair Value Adjustments	
	Asset	Liability		Asset	Liability
Fair value hedge					
Financial assets at fair value through other comprehensive income		\$ 26,266,673	\$ -	\$ (1,197,334)	\$ -
Bank debentures		-	14,162,784	-	(937,216)

December 31, 2023

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Asset	Liability
Fair value hedge					
Interest rate swap contracts	\$ 43,338,561	2024.05.18-2033.09.21	Financial assets and liabilities for hedging	\$ 835,695	\$ 697,122

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments	
	Asset	Liability	Asset	Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	\$ 25,984,868	\$ -	\$ (954,478)	\$ -
Bank debentures	-	15,297,803	-	(502,197)

June 30, 2023

Hedging Instrument	Notional Amount	Maturity	Line Item in Balance Sheet	Carrying Amount	
				Asset	Liability
Fair value hedge					
Interest rate swap contracts	\$ 55,163,981	2024.05.18-2032.08.15	Financial assets and liabilities for hedging	\$ 1,685,211	\$ 704,447

Hedged Items	Carrying Amount		Accumulated Amount of Fair Value Adjustments	
	Asset	Liability	Asset	Liability
Fair value hedge				
Financial assets at fair value through other comprehensive income	\$ 29,270,374	\$ -	\$ (1,932,366)	\$ -
Bank debentures	-	15,179,260	-	(620,740)

12. SECURITIES PURCHASED UNDER RESELL AGREEMENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Corporate bonds	\$ 40,962,272	\$ 32,109,680	\$ 22,718,224
Commercial paper	15,235,063	16,916,433	24,518,549
Negotiable certificates of deposit	12,827,500	9,380,121	1,457,574
Government bonds	7,014,541	6,742,654	8,022,940
Bank debentures	<u>3,379,072</u>	<u>3,032,570</u>	<u>2,704,380</u>
	<u>\$ 79,418,448</u>	<u>\$ 68,181,458</u>	<u>\$ 59,421,667</u>
Resold amounts	<u>\$ 79,558,635</u>	<u>\$ 68,289,044</u>	<u>\$ 59,496,475</u>

13. RECEIVABLES, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Receivable accounts for settlement	\$ 60,294,980	\$ 44,497,583	\$ 48,885,324
Margin loans receivable, securities financing refundable deposits and deposits payable for securities financing	44,679,962	35,433,692	29,741,741
Interest receivable	26,277,053	24,859,200	22,891,804
Trading securities receivable	22,785,650	15,692,461	12,219,516
Exchange clearing receivable	18,976,467	12,429,501	9,867,399
Accounts receivable - forfeiting without recourse	8,604,323	10,262,998	8,216,332

(Continued)

	June 30, 2024	December 31, 2023	June 30, 2023
Installment accounts receivable and lease payments receivable	\$ 5,581,629	\$ 6,177,528	\$ 6,481,706
Others	<u>16,021,155</u>	<u>10,794,975</u>	<u>17,548,379</u>
	203,221,219	160,147,938	155,852,201
Less: Allowance for bad debts	(3,814,165)	(3,296,392)	(2,952,538)
Unrealized interest revenue	<u>(318,259)</u>	<u>(350,298)</u>	<u>(369,006)</u>
	<u>\$ 199,088,795</u>	<u>\$ 156,501,248</u>	<u>\$ 152,530,657</u>
			(Concluded)

For the amount of receivables pledged as collateral for the Group, refer to Note 45.

For the information on credit risk management and impairment loss analysis of receivables, refer to Note 50.

14. DISCOUNTS AND LOANS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Short-term loans	\$ 76,879,923	\$ 61,520,084	\$ 61,273,565
Medium-term loans	251,461,437	234,899,351	235,045,840
Long-term loans	116,809,069	104,913,220	99,459,563
Loans reclassified to nonperforming loans	1,047,753	974,615	480,906
Export negotiations	21,990	5,449	16,290
Policy loans	29,083,026	28,339,180	27,579,613
Automatic premium loans	<u>5,451,116</u>	<u>5,453,270</u>	<u>5,512,120</u>
	480,754,314	436,105,169	429,367,897
Less: Allowance for bad debts	(5,830,507)	(5,157,903)	(5,157,049)
Discounts on loans	<u>(64,693)</u>	<u>(55,911)</u>	<u>(53,637)</u>
	<u>\$ 474,859,114</u>	<u>\$ 430,891,355</u>	<u>\$ 424,157,211</u>

For the information on credit risk management and impairment loss analysis of discounts and loans, refer to Note 50.

15. REINSURANCE ASSETS, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Claims recoverable from reinsurers	\$ 825,726	\$ 814,846	\$ 750,781
Due from reinsurers and ceding companies	110,131	52,673	37,722
Reinsurance reserve assets			
Ceded unearned premium reserve	80,621	88,798	68,057
Ceded reserve for claims	<u>48,793</u>	<u>54,779</u>	<u>43,043</u>
	<u>129,414</u>	<u>143,577</u>	<u>111,100</u>
	<u>\$ 1,065,271</u>	<u>\$ 1,011,096</u>	<u>\$ 899,603</u>

No impairment loss was recognized for reinsurance assets.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Suyin KGI Consumer Finance Co., Ltd.	\$ 8,356,169	\$ 7,768,118	\$ 4,614,726
CDIB & Partners Investment Holding Corporation	6,441,689	5,783,495	5,321,526
KGI Securities (Thailand) Public Company Limited	2,721,200	2,803,191	2,625,597
CDIB Capital Asia Partners L.P.	2,237,956	2,541,993	2,877,912
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,142,873	1,170,950	1,048,503
Others	<u>5,188,285</u>	<u>4,750,590</u>	<u>4,868,075</u>
	<u>\$ 26,088,172</u>	<u>\$ 24,818,337</u>	<u>\$ 21,356,339</u>

As of June 30, 2024, December 31, 2023 and June 30, 2023, financial assets designated as at FVTPL of associates that are not individually material were \$9,023,692 thousand, \$8,446,585 thousand and \$8,542,326 thousand, respectively.

Investments accounted for using the equity method and the Group's share of profit and other comprehensive income of Suyin KGI Consumer Finance Co., Ltd., CDIB & Partners Investment Holding Corporation and KGI Securities (Thailand) Public Company Limited are calculated based on audited financial statements; those of other affiliates are calculated based on unaudited financial statements. Management believes that the financial statements of these investees that had not been audited would have been no significant effect on the consolidated financial statements.

None of the Group's investments accounted for using the equity method have been pledged as collateral.

17. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Investment in structured entities

The Company's subsidiaries have equities of structured entities which the Company's subsidiaries do not have significant influence but rights and obligations in accordance with the contract.

June 30, 2024

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	\$ 40,178,376	\$ 4,127,684	\$ 44,306,060
Financial assets at fair value through other comprehensive income	-	327,002	327,002
Debt instruments measured at amortized cost	-	6,888,930	6,888,930
Maximum exposure	40,178,376	11,343,616	51,521,992

December 31, 2023

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	\$ 35,706,859	\$ 4,614,382	\$ 40,321,241
Financial assets at fair value through other comprehensive income	-	310,961	310,961
Debt instruments measured at amortized cost	-	6,593,502	6,593,502
Maximum exposure	35,706,859	11,518,845	47,225,704

June 30, 2023

	Partnership Fund	Asset Securitization	Total
Financial assets at fair value through profit or loss	\$ 38,776,509	\$ 4,498,363	\$ 43,274,872
Financial assets at fair value through other comprehensive income	-	314,529	314,529
Debt instruments measured at amortized cost	-	6,732,134	6,732,134
Maximum exposure	38,776,509	11,545,026	50,321,535

b. Management on structured entities

The Company's subsidiaries have the equities of structured entities as well as the obligations to their investment and management. The Company's subsidiaries have significant influence over the above investments.

The funds of unconsolidated structured entities are from the Company's subsidiaries and external third parties.

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Management on partnership equity fund</u>			
Total assets	\$ 29,809,295	\$ 28,499,933	\$ 28,909,177
Total liabilities	48,817	29,528	10,634
Investments accounted for using the equity method	5,542,166	5,684,829	5,986,455
Financial assets designated as at FVTPL	3,759,263	3,303,290	3,281,034
Maximum exposure	9,301,429	8,988,119	9,267,489

18. OTHER FINANCIAL ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
Separate-account insurance products	\$ 122,783,526	\$ 115,525,739	\$ 112,414,448
Customer margin accounts	64,914,015	51,908,330	60,713,462
Others	<u>5,258,980</u>	<u>10,541,268</u>	<u>4,160,540</u>
	<u>\$ 192,956,521</u>	<u>\$ 177,975,337</u>	<u>\$ 177,288,450</u>

Separate Account Insurance Products

a. Separate account insurance products - assets and liabilities

	Assets		
	June 30, 2024	December 31, 2023	June 30, 2023
Cash in banks	\$ 349,867	\$ 340,130	\$ 762,285
Financial assets at fair value through profit or loss	122,384,358	115,135,298	111,602,552
Other receivables	<u>49,301</u>	<u>50,311</u>	<u>49,611</u>
	<u>\$ 122,783,526</u>	<u>\$ 115,525,739</u>	<u>\$ 112,414,448</u>
	Liabilities		
	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for separate account	\$ 122,772,809	\$ 115,516,533	\$ 112,405,444
Other payables	<u>10,717</u>	<u>9,206</u>	<u>9,004</u>
	<u>\$ 122,783,526</u>	<u>\$ 115,525,739</u>	<u>\$ 112,414,448</u>

b. Separate account insurance products - revenues and expenses

	Revenues			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Premium income	\$ 1,803,098	\$ 1,606,801	\$ 3,430,895	\$ 3,189,432
Gain (loss) from financial assets and liabilities at fair value through profit or loss	2,577,158	2,614,087	5,964,313	4,490,971
Interest income	597	346	908	612
Other revenues	48,923	47,147	91,569	90,276
Foreign exchange gains (losses)	<u>280,607</u>	<u>414,277</u>	<u>1,078,969</u>	<u>266,334</u>
	<u>\$ 4,710,383</u>	<u>\$ 4,682,658</u>	<u>\$ 10,566,654</u>	<u>\$ 8,037,625</u>
	Expenses			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Insurance claim payments	\$ 1,453,294	\$ 996,531	\$ 2,959,750	\$ 1,809,111
Net change in separate-account reserve	2,632,059	3,108,613	6,474,447	5,202,203
Custodian fee	<u>625,030</u>	<u>577,514</u>	<u>1,132,457</u>	<u>1,026,311</u>
	<u>\$ 4,710,383</u>	<u>\$ 4,682,658</u>	<u>\$ 10,566,654</u>	<u>\$ 8,037,625</u>

- c. The rebate achieved by KGI Life Insurance from counterparties in the investment-linked insurance business, which is recognized as service fee revenue, for the three months ended June 30, 2024 and 2023 were \$83,611 thousand and \$69,830 thousand, respectively, and for the six months ended June 30, 2024 and 2023 were \$164,328 thousand and \$135,529 thousand, respectively.

For the information on other financial assets pledged as collateral for the Group, refer to Note 45.

19. INVESTMENT PROPERTY, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 40,473,722	\$ 40,579,421	\$ 38,402,707
Buildings and facilities	14,411,648	14,646,903	15,070,100
Right-of-use assets - superficies of royalties	3,663,927	3,711,997	4,006,512
Right-of-use assets - land	<u>481,719</u>	<u>453,228</u>	<u>475,569</u>
	<u>\$ 59,031,016</u>	<u>\$ 59,391,549</u>	<u>\$ 57,954,888</u>

Except for depreciation recognized, the Group had no significant addition, disposal and impairment of investment property during the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023.

The investment property listed above are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and facilities	5-60 years
Right-of-use assets - superficies of royalties	70 years
Right-of-use assets - land	70 years

The fair values of the Group's investment property as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$61,236,799 thousand, \$61,489,628 thousand and \$60,682,023 thousand, respectively. Investment property was categorized into Level 3.

The Company's subsidiaries had development of the vacant land and prepayments for buildings without construction license, and the carrying amount were \$2,434,887 thousand, \$2,434,887 thousand and \$2,436,553 thousand, respectively, on June 30, 2024, December 31, 2023 and June 30, 2023. Because its fair value cannot be reliably determined, it was excluded from the amount of fair value above mentioned.

Valuation of fair values above mentioned arrived at without appraisal from independent appraisers. All the other subsidiaries of the Group engaged independent appraisers for the valuation of their investment properties. The sales comparison approach and income approach were used in the valuation, whereby the sales comparison approach compares a subject property's characteristics with those of comparable properties which have been recently sold in similar transaction, and income approach takes the net operating income of the rent collected and divides it by the capitalization rate.

The Group's investment property is mainly based on leased building with lease terms of 1 to 20 years and some lessees have priority to rent the leased building. The lease contracts contain market review clauses in the event that the lessees exercise their options to extend.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ 1,147,052	\$ 1,101,630	\$ 1,199,897
Year 2	962,826	920,818	1,033,268
Year 3	772,009	683,978	808,548
Year 4	628,080	572,064	627,256
Year 5	585,328	455,103	254,259
Year 5 onwards	<u>3,683,978</u>	<u>3,793,966</u>	<u>3,689,803</u>
	<u>\$ 7,779,273</u>	<u>\$ 7,527,559</u>	<u>\$ 7,613,031</u>

The investment property leased by the Group for operating leases is depreciated on a straight-line basis over their estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Buildings and facilities	5-60 years

All of the Group's investment properties were held under freehold interests. The carrying amount of the investment properties that were pledged for the Group to secure borrowings is reflected in Note 45.

20. PROPERTY AND EQUIPMENT, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Land	\$ 17,145,388	\$ 17,213,070	\$ 19,006,040
Buildings and facilities	10,438,908	10,693,364	11,099,487
Machinery and computer equipment	1,522,553	1,612,595	1,766,551
Leasehold improvements	723,102	745,534	732,223
Other equipment	575,107	562,582	497,339
Transportation equipment	<u>23,553</u>	<u>27,097</u>	<u>29,868</u>
	30,428,611	30,854,242	33,131,508
Prepayments for acquisition of properties	<u>266,587</u>	<u>319,970</u>	<u>507,343</u>
	<u>\$ 30,695,198</u>	<u>\$ 31,174,212</u>	<u>\$ 33,638,851</u>
Assets used by the Group	\$ 30,695,198	\$ 31,173,413	\$ 33,344,861
Assets leased under operating leases	<u>-</u>	<u>799</u>	<u>293,990</u>
	<u>\$ 30,695,198</u>	<u>\$ 31,174,212</u>	<u>\$ 33,638,851</u>

Except for depreciation recognized, the Group had no significant addition, disposal and impairment of property and equipment during the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023.

The above items of self-use property and equipment are depreciated on a straight-line basis over the estimated economic lives as follows:

Buildings and facilities	3-60 years
Machinery and computer equipment	3-15 years
Transportation equipment	4-10 years
Other equipment	3-15 years
Leasehold improvements	Depend on the age or the durable life of lease, whichever is shorter

The operating lease of the group's subsidiaries are mainly based on leased light passenger vehicle with lease terms of 1 to 5 years without an option to extend for any additional years.

The maturity analysis of lease payments receivable was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Year 1	\$ -	\$ 174	\$ 522
Year 2	-	-	-
Year 3	-	-	-
Year 4	-	-	-
Year 5	-	-	-
	<u>\$ -</u>	<u>\$ 174</u>	<u>\$ 522</u>

The investment property leased by the Group for operating leases is depreciated on a straight-line basis based over their estimated useful lives as follows:

	<u>Estimated Useful Lives</u>
Machinery equipment	4-20 years
Transportation equipment	2-5 years

For the information on property and equipment pledged as collateral for the Group, refer to Note 45.

21. LEASE ARRANGEMENTS

a. Right-of-use assets, net

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount			
Royalty-surface rights	\$ 8,367,405	\$ 8,437,621	\$ 8,521,235
Buildings and facilities	2,098,040	2,266,376	2,663,021
Land	1,022,367	1,014,106	1,031,142
Computer equipment	66,820	96,186	110,534
Transportation equipment	24,811	29,246	35,367
Other equipment	<u>13,765</u>	<u>16,700</u>	<u>24,660</u>
	<u>\$ 11,593,208</u>	<u>\$ 11,860,235</u>	<u>\$ 12,385,959</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Additions to right-of-use assets	<u>\$ 66,451</u>	<u>\$ 74,046</u>	<u>\$ 154,500</u>	<u>\$ 292,640</u>
Depreciation of right-of-use assets				
Buildings and facilities	\$ 162,423	\$ 193,628	\$ 325,722	\$ 393,451
Royalty-surface rights	35,109	35,181	70,217	70,412
Computer equipment	10,241	13,469	21,431	26,938
Transportation equipment	4,983	5,791	10,099	11,688
Land	4,402	3,803	8,805	8,542
Other equipment	<u>1,467</u>	<u>5,290</u>	<u>2,935</u>	<u>9,561</u>
	<u>\$ 218,625</u>	<u>\$ 257,162</u>	<u>\$ 439,209</u>	<u>\$ 520,592</u>

b. Lease liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Carrying amount	<u>\$ 3,897,111</u>	<u>\$ 4,034,022</u>	<u>\$ 4,457,486</u>

The interest expense of the lease liabilities recognized in profit or loss for the three months ended June 30, 2024 and 2023 were \$23,425 thousand and \$23,825 thousand, respectively, and the interest expense of the lease liabilities recognized in profit or loss for the six months ended June 30, 2024 and 2023 were \$47,201 thousand and \$46,590 thousand, respectively.

Ranges of discount rates for lease liabilities were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Buildings and facilities	0.54%-7.35%	0.52%-7.35%	0.50%-7.35%
Land	1.61%-3.50%	1.61%-3.50%	0.77%-3.50%
Computer equipment	0.56%-4.87%	0.56%-4.87%	0.56%-1.62%
Transportation equipment	0.53%-1.71%	0.50%-1.68%	0.49%-1.68%
Other equipment	0.60%-1.61%	0.60%-1.61%	0.51%-4.87%

The maturity analysis of lease liabilities was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not later than 1 year	\$ 736,514	\$ 725,228	\$ 786,847
Later than 1 year and not later than 5 years	1,724,769	1,827,967	2,037,889
Later than 5 years and not later than 10 years	567,306	624,025	706,856
Later than 10 years	<u>3,189,173</u>	<u>3,118,622</u>	<u>3,149,777</u>
	<u>\$ 6,217,762</u>	<u>\$ 6,295,842</u>	<u>\$ 6,681,369</u>

c. Material lease-in activities and terms

The Group leases land, buildings and facilities, computer equipment, transportation equipment and other equipment with lease terms of 1 to 15 years. In the contract, the Group has options to lease the building at the end of the lease terms. The lease contract for the right of superficies has been established indicates that KGI Life Insurance also leases land with lease terms of 70 years.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant and equipment for the Group, refer Notes 19 and 20, respectively.

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Expenses relating to short-term leases	\$ 42,530	\$ 5,630	\$ 83,329	\$ 12,962
Expenses relating to low-value asset leases	\$ 1,631	\$ 1,731	\$ 3,076	\$ 3,389
Total cash outflow for leases			\$ 455,205	\$ 480,944

The Group's leases of certain assets qualify as short-term leases and low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

22. INTANGIBLE ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
Purchase policy value	\$ 10,924,050	\$ 11,080,843	\$ 11,239,367
Goodwill	3,271,850	3,223,561	3,224,132
Computer software	2,062,805	2,072,879	1,943,969
Operation rights	1,140,551	1,400,380	1,660,208
Others	367	367	-
	<u>\$ 17,399,623</u>	<u>\$ 17,778,030</u>	<u>\$ 18,067,676</u>

Except for amortization recognized, the Group had no significant addition, disposal, and impairment of other intangible assets during the three months ended June 30, 2024 and 2023 and for the six months ended June 30, 2024 and 2023.

Apart from the purchase policy value is amortized on present value of annuity of expected remaining policies over effective period of policies, the other items of intangible assets on a straight-line basis are amortized over the estimated economic lives as follows:

Operation rights	7-20 years
Computer software	1-10 years

23. OTHER ASSETS

	June 30, 2024	December 31, 2023	June 30, 2023
Security borrowing margins	\$ 43,610,147	\$ 39,929,058	\$ 33,529,210
Guarantee deposits paid	21,177,786	4,791,817	19,140,296
Overseas custodian accounts	20,975,974	19,611,446	25,432,790
Operating guarantee deposits	8,543,373	8,522,574	8,521,833
Others	<u>4,982,164</u>	<u>4,368,959</u>	<u>4,090,499</u>
	<u>\$ 99,289,444</u>	<u>\$ 77,223,854</u>	<u>\$ 90,714,628</u>

The above overseas custodian account is mainly for foreign subsidiaries transaction.

24. DEPOSITS FROM THE CENTRAL BANK AND FINANCIAL INSTITUTIONS

	June 30, 2024	December 31, 2023	June 30, 2023
Call loans from financial institutions	\$ 5,159,550	\$ 6,846,756	\$ 911,350
Deposits from Chunghwa Post Co., Ltd.	<u>180,556</u>	<u>180,556</u>	<u>180,556</u>
	<u>\$ 5,340,106</u>	<u>\$ 7,027,312</u>	<u>\$ 1,091,906</u>

25. NOTES AND BONDS ISSUED UNDER REPURCHASE AGREEMENTS

	June 30, 2024	December 31, 2023	June 30, 2023
Corporate bonds	\$ 95,783,903	\$ 70,489,928	\$ 64,889,207
Bank debentures	43,613,470	30,835,269	35,314,729
Government bonds	27,809,560	27,459,269	27,578,818
Others	<u>3,400,951</u>	<u>1,510,123</u>	<u>1,639,799</u>
	<u>\$ 170,607,884</u>	<u>\$ 130,294,589</u>	<u>\$ 129,422,553</u>
Repurchased amounts	<u>\$ 172,086,908</u>	<u>\$ 131,146,970</u>	<u>\$ 129,958,481</u>

26. COMMERCIAL PAPER PAYABLE, NET

	June 30, 2024	December 31, 2023	June 30, 2023
Commercial paper payable	\$ 73,033,013	\$ 29,476,985	\$ 35,413,025
Less: Unamortized discount	<u>(121,891)</u>	<u>(17,205)</u>	<u>(20,856)</u>
	<u>\$ 72,911,122</u>	<u>\$ 29,459,780</u>	<u>\$ 35,392,169</u>
Range of rate	1.52%-5.25%	1.44%-5.26%	1.32%-5.03%

Except the commercial paper payable for those issued without guarantee, are guaranteed or accepted by note corporations and banks.

27. PAYABLES

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable for settlement	\$ 76,638,215	\$ 55,717,645	\$ 61,097,628
Accrued expenses and payables on insurance policies	19,136,487	18,950,568	17,287,349
Exchange clearing payable	13,465,140	10,573,313	15,599,399
Cash dividends payable	8,976,474	-	-
Deposits payable for securities financing	8,493,077	8,971,558	10,195,620
Others	<u>12,336,626</u>	<u>12,943,738</u>	<u>11,403,478</u>
	<u>\$ 139,046,019</u>	<u>\$ 107,156,822</u>	<u>\$ 115,583,474</u>

28. DEPOSITS AND REMITTANCES

	June 30, 2024	December 31, 2023	June 30, 2023
Time deposits	\$ 247,031,133	\$ 233,798,911	\$ 255,669,990
Saving deposits	186,721,554	177,602,354	170,015,346
Demand deposits	122,066,772	115,927,860	126,525,162
Checking deposits	1,596,923	1,769,837	1,519,383
Negotiable CDs	133,800	134,100	136,700
Inward remittance	<u>107,351</u>	<u>703,656</u>	<u>74,785</u>
	<u>\$ 557,657,533</u>	<u>\$ 529,936,718</u>	<u>\$ 553,941,366</u>

29. BONDS PAYABLE

	June 30, 2024	December 31, 2023	June 30, 2023
Corporate bonds payable	\$ 80,151,126	\$ 77,190,445	\$ 66,870,000
Bank debentures payable	<u>23,612,784</u>	<u>24,747,803</u>	<u>24,629,260</u>
	<u>\$ 103,763,910</u>	<u>\$ 101,938,248</u>	<u>\$ 91,499,260</u>

Corporate Bonds Payable

Name	June 30, 2024	December 31, 2023	June 30, 2023	Issuance Period	Method of Paying Principle and Interests	Interest Rate
1st corporate bonds in 2017 - the Company	\$ 10,000,000	\$ 10,000,000	\$ 10,000,000	Bond A 2017.09.08-2024.09.08 Bond B 2017.09.08-2027.09.08 Bond C 2017.09.08-2032.09.08	Interest payable annually; principal due on maturity	Bond A 1.75% Bond B 1.90% Bond C 2.10%
1st corporate bonds in 2019 - the Company	5,000,000	5,000,000	5,000,000	Bond A 2019.08.08-2026.08.08 Bond B 2019.08.08-2029.08.08	Interest payable annually; principal due on maturity	Bond A 0.88% Bond B 1.00%
1st corporate bonds in 2020 - the Company	8,000,000	8,000,000	8,000,000	Bond A 2020.05.20-2025.05.20 Bond B 2020.05.20-2035.05.20	Interest payable annually; principal due on maturity	Bond A 0.75% Bond B 0.95%
2nd corporate bonds in 2020 - the Company	6,000,000	6,000,000	6,000,000	Bond A 2020.11.30-2030.11.30 Bond B 2020.11.30-2035.11.30	Interest payable annually; principal due on maturity	Bond A 1.25% Bond B 1.50%
3rd corporate bonds in 2020 - the Company	4,000,000	4,000,000	4,000,000	Bond A 2021.01.14-2028.01.14 Bond B 2021.01.14-2031.01.14	Interest payable annually; principal due on maturity	Bond A 0.50% Bond B 0.59%
1st corporate bonds in 2021 - the Company	15,000,000	15,000,000	15,000,000	Bond A 2021.12.20-2026.12.20 Bond B 2021.12.20-2028.12.20 Bond C 2021.12.20-2031.12.20	Interest payable annually; principal due on maturity	Bond A 0.59% Bond B 0.65% Bond C 0.75%
1st corporate bonds in 2019 - KGI Securities	3,900,000	3,900,000	3,900,000	Bond A 2019.11.22-2022.11.22 Bond B 2019.11.22-2024.11.22 Bond C 2019.11.22-2026.11.22	Interest payable annually; principal due on maturity	Bond A 0.73% Bond B 0.78% Bond C 0.83%
1st corporate bonds in 2021 - KGI Securities	5,000,000	5,000,000	5,000,000	Bond A 2021.07.09-2026.07.09 Bond B 2021.07.09-2028.07.09	Interest payable annually; principal due on maturity	Bond A 0.51% Bond B 0.55%
1st corporate bonds in 2024 - KGI Securities	3,000,000	-	-	2024.05.28-2034.05.28	Interest payable annually; principal due on maturity	2.20%
1st corporate bonds in 2020 - KGI Life Insurance	9,940,000	10,000,000	9,970,000	2020.12.28, no maturity date	Interest payable annually (Note)	2.70%
1st corporate bonds in 2023 - KGI Life Insurance	10,000,000	10,000,000	-	2023.07.25-2033.07.25	Interest payable annually; principal due on maturity	3.75%
Beneficiary bonds - CDIB Real Estate Credit Ltd.	311,126	290,445	-	2023.10.26-2026.09.27	Interest payment every season	9.50%
Net amount	<u>\$ 80,151,126</u>	<u>\$ 77,190,445</u>	<u>\$ 66,870,000</u>			

Note: KGI Life Insurance has the right to redeem the bonds after 10 years from the issue date if its self-owned capital adequacy ratio is twice as higher as the required risk based capital ratio set by the competent authority. KGI Life Insurance is allowed to redeem the bonds based on the carrying value of each bond plus interest after being approved by the competent authority.

Bank Debentures Payable

Name	June 30, 2024	December 31, 2023	June 30, 2023	Issuance Period	Method of Paying Principle and Interests	Interest Rate
P07 KGIB 1	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	2018.12.27, no maturity date	Interest payable annually (Note)	2.35%
P07 KGIB 2	3,350,000	3,350,000	3,350,000	2018.12.27-2033.12.27	Interest payable annually; principal due on maturity	1.68%
P08 KGIB 1	3,100,000	3,100,000	3,100,000	2019.06.26-2034.06.26	Interest payable annually; principal due on maturity	1.40%
P09 KGIB 1	1,200,000	1,200,000	1,200,000	2020.03.05-2027.03.05	Interest payable annually; principal due on maturity	0.75%
P09 KGIB 2	4,800,000	4,800,000	4,800,000	2020.03.05-2030.03.05	Interest payable annually; principal due on maturity	0.80%
P09 KGIB 3	4,800,000	4,800,000	4,800,000	2020.08.07-2030.08.07	Interest payable annually; principal due on maturity	0.71%
P10 KGIB 1	4,300,000	4,300,000	4,300,000	2021.02.04-2031.02.04	Interest payable annually; principal due on maturity	0.57%
P10 KGIB 2	-	700,000	700,000	2021.05.18-2024.05.18	Interest payable annually; principal due on maturity	0.40%
	24,550,000	25,250,000	25,250,000			
Unamortized discount	<u>(937,216)</u>	<u>(502,197)</u>	<u>(620,740)</u>			
Net amount	<u>\$ 23,612,784</u>	<u>\$ 24,747,803</u>	<u>\$ 24,629,260</u>			

Note: KGI Bank has the right to redeem the bonds after 5 years and 1 month from the issue date if its self-owned capital adequacy ratio is still in accordance with the requirements set by the competent authority. KGI Bank is allowed to redeem the bonds based on the carrying value of each bond plus interest after approved by the competent authority.

30. OTHER BORROWINGS

	June 30, 2024	December 31, 2023	June 30, 2023
Short-term credit borrowings	\$ 29,294,872	\$ 19,365,523	\$ 22,373,124
Call loans from banks	2,336,400	2,889,090	2,553,070
Short-term secured borrowings	1,371,597	1,089,979	687,585
Note issuance facility	<u>1,299,854</u>	<u>1,099,865</u>	<u>4,599,706</u>
	<u>\$ 34,302,723</u>	<u>\$ 24,444,457</u>	<u>\$ 30,213,485</u>
Range of rate	1.83%-6.25%	1.55%-6.53%	1.45%-6.25%

For the information on collateral of other borrowings listed, refer to Note 45.

31. PROVISIONS

	June 30, 2024	December 31, 2023	June 30, 2023
Insurance liabilities	\$ 2,088,570,801	\$ 2,071,434,364	\$ 2,092,538,225
Foreign exchange valuation reserve	16,785,474	9,768,788	11,511,237
Provisions for employee benefits	683,213	740,703	655,977
Others	<u>521,356</u>	<u>467,495</u>	<u>491,974</u>
	<u>\$ 2,106,560,844</u>	<u>\$ 2,082,411,350</u>	<u>\$ 2,105,197,413</u>

Insurance Contracts and Provision for Financial Instruments with Discretionary Participation Feature

As at June 30, 2024, December 31, 2023 and June 30, 2023, KGI Life Insurance's movement in reserves of insurance contracts and financial instruments with discretionary participation feature is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for life insurance liabilities	\$ 2,052,374,696	\$ 2,035,521,454	\$ 2,056,706,822
Unearned premium reserve	6,188,439	5,776,296	5,961,735
Reserve for claims	4,154,126	3,261,985	2,981,977
Special reserve	6,598,947	7,284,162	6,880,164
Premium deficiency reserve	1,313,435	1,493,153	1,754,344
Other reserve	<u>17,941,158</u>	<u>18,097,314</u>	<u>18,253,183</u>
	<u>\$ 2,088,570,801</u>	<u>\$ 2,071,434,364</u>	<u>\$ 2,092,538,225</u>

a. Reserve for life insurance liabilities:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Life insurance	\$ 1,709,298,411	\$ 46,639,209	\$ 1,755,937,620	\$ 1,688,712,054	\$ 48,428,133	\$ 1,737,140,187	\$ 1,704,322,131	\$ 50,511,349	\$ 1,754,833,480
Health insurance	183,502,766	-	183,502,766	178,371,313	-	178,371,313	172,453,008	-	172,453,008
Annuity insurance	763,580	109,543,958	110,307,538	745,258	116,760,636	117,505,894	738,571	126,294,641	127,033,212
Investment-linked insurance	<u>2,430,707</u>	<u>-</u>	<u>2,430,707</u>	<u>2,309,312</u>	<u>-</u>	<u>2,309,312</u>	<u>2,201,836</u>	<u>-</u>	<u>2,201,836</u>
Total (Note)	<u>\$ 1,895,995,464</u>	<u>\$ 156,183,167</u>	<u>\$ 2,052,178,631</u>	<u>\$ 1,870,137,937</u>	<u>\$ 165,188,769</u>	<u>\$ 2,035,326,706</u>	<u>\$ 1,879,715,546</u>	<u>\$ 176,805,990</u>	<u>\$ 2,056,521,536</u>

Note: The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,052,374,696 thousand as of June 30, 2024.

The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,035,521,454 thousand as of December 31, 2023.

The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,056,706,822 thousand as of June 30, 2023.

There is no ceded liability reserve for the above insurance contracts of KGI Life Insurance.

Movement in reserve for life insurance liabilities is summarized below:

	For the Six Months Ended June 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 1,870,137,937	\$ 165,188,769	\$ 2,035,326,706	\$ 1,858,062,445	\$ 186,744,859	\$ 2,044,807,304
Reserve	78,858,041	1,339,797	80,197,838	83,230,446	2,455,189	85,685,635
Recover	(80,573,977)	(11,300,876)	(91,874,853)	(67,920,277)	(12,666,489)	(80,586,766)
Losses (gains) on foreign exchange	<u>27,573,463</u>	<u>955,477</u>	<u>28,528,940</u>	<u>6,342,932</u>	<u>272,431</u>	<u>6,615,363</u>
Ending balance (Note)	<u>\$ 1,895,995,464</u>	<u>\$ 156,183,167</u>	<u>\$ 2,052,178,631</u>	<u>\$ 1,879,715,546</u>	<u>\$ 176,805,990</u>	<u>\$ 2,056,521,536</u>

Note: The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,052,374,696 thousand as of June 30, 2024.

The total of reserve for life insurance liabilities after including “reserve for life insurance liabilities - payables for the insured” amounted to \$2,056,706,822 thousand as of June 30, 2023.

b. Unearned premium reserve:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature		
	Insurance Contract		Total	Insurance Contract		Total	Insurance Contract		Total
Individual life insurance	\$ 754	\$ -	\$ 754	\$ 754	\$ -	\$ 754	\$ 829	\$ -	\$ 829
Individual injury insurance	2,292,693	-	2,292,693	2,173,679	-	2,173,679	2,150,628	-	2,150,628
Individual health insurance	2,712,919	-	2,712,919	2,904,329	-	2,904,329	2,620,620	-	2,620,620
Group insurance	1,104,212	-	1,104,212	622,551	-	622,551	1,114,754	-	1,114,754
Investment-linked insurance	77,860	-	77,860	74,981	-	74,981	74,900	-	74,900
Annuity insurance	-	1	1	-	2	2	-	4	4
Total	<u>6,188,438</u>	<u>1</u>	<u>6,188,439</u>	<u>5,776,294</u>	<u>2</u>	<u>5,776,296</u>	<u>5,961,731</u>	<u>4</u>	<u>5,961,735</u>
Less ceded unearned premium reserve:									
Individual life insurance	22,498	-	22,498	21,220	-	21,220	20,576	-	20,576
Individual injury insurance	1,094	-	1,094	963	-	963	926	-	926
Individual health insurance	47,006	-	47,006	56,986	-	56,986	36,881	-	36,881
Group insurance	4,650	-	4,650	4,313	-	4,313	4,313	-	4,313
Investment-linked insurance	5,373	-	5,373	5,316	-	5,316	5,361	-	5,361
Total	<u>80,621</u>	<u>-</u>	<u>80,621</u>	<u>88,798</u>	<u>-</u>	<u>88,798</u>	<u>68,057</u>	<u>-</u>	<u>68,057</u>
Net amount	<u>\$ 6,107,817</u>	<u>\$ 1</u>	<u>\$ 6,107,818</u>	<u>\$ 5,687,496</u>	<u>\$ 2</u>	<u>\$ 5,687,498</u>	<u>\$ 5,893,674</u>	<u>\$ 4</u>	<u>\$ 5,893,678</u>

Movement in unearned premium reserve is summarized below:

For the Six Months Ended June 30						
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 5,776,294	\$ 2	\$ 5,776,296	\$ 5,099,215	\$ 7	\$ 5,099,222
Reserve	3,300,281	1	3,300,282	3,412,121	4	3,412,125
Recover	(2,888,147)	(2)	(2,888,149)	(2,549,607)	(7)	(2,549,614)
Losses (gains) on foreign exchange	<u>10</u>	<u>-</u>	<u>10</u>	<u>2</u>	<u>-</u>	<u>2</u>
Ending balance	<u>6,188,438</u>	<u>1</u>	<u>6,188,439</u>	<u>5,961,731</u>	<u>4</u>	<u>5,961,735</u>
Less ceded unearned premium reserve:						
Beginning balance	88,798	-	88,798	66,877	-	66,877
Increase	36,071	-	36,071	34,569	-	34,569
Decrease	(44,399)	-	(44,399)	(33,439)	-	(33,439)
Losses (gains) on foreign exchange	<u>151</u>	<u>-</u>	<u>151</u>	<u>50</u>	<u>-</u>	<u>50</u>
Ending balance	<u>80,621</u>	<u>-</u>	<u>80,621</u>	<u>68,057</u>	<u>-</u>	<u>68,057</u>
Net amount	<u>\$ 6,107,817</u>	<u>\$ 1</u>	<u>\$ 6,107,818</u>	<u>\$ 5,893,674</u>	<u>\$ 4</u>	<u>\$ 5,893,678</u>

c. Reserve for claims:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Individual life insurance									
Reported but not paid claim	\$ 301,803	\$ 10,679	\$ 312,482	\$ 255,746	\$ 4,607	\$ 260,353	\$ 237,548	\$ 4,575	\$ 242,123
Unreported claim	265	-	265	199	-	199	206	-	206
Individual injury insurance									
Reported but not paid claim	43,903	-	43,903	61,232	-	61,232	50,276	-	50,276
Unreported claim	959,039	-	959,039	743,830	-	743,830	623,474	-	623,474
Individual health insurance									
Reported but not paid claim	205,608	-	205,608	182,834	-	182,834	179,327	-	179,327
Unreported claim	1,505,833	-	1,505,833	1,181,370	-	1,181,370	1,036,723	-	1,036,723
Group insurance									
Reported but not paid claim	100,415	-	100,415	95,822	-	95,822	109,706	-	109,706
Unreported claim	945,776	-	945,776	663,053	-	663,053	679,240	-	679,240
Investment-linked insurance									
Reported but not paid claim	43,321	-	43,321	38,928	-	38,928	27,371	-	27,371
Unreported claim	-	-	-	-	-	-	-	-	-
Annuity insurance									
Reported but not paid claim	-	37,473	37,473	-	34,343	34,343	291	33,228	33,519
Unreported claim	-	11	11	-	21	21	-	12	12
Total	<u>4,105,963</u>	<u>48,163</u>	<u>4,154,126</u>	<u>3,223,014</u>	<u>38,971</u>	<u>3,261,985</u>	<u>2,944,162</u>	<u>37,815</u>	<u>2,981,977</u>
Less ceded reserve for claims:									
Individual life insurance	14,317	-	14,317	27,274	-	27,274	9,224	-	9,224
Individual injury insurance	1,674	-	1,674	1,674	-	1,674	-	-	-
Individual health insurance	19,602	-	19,602	18,771	-	18,771	22,659	-	22,659
Group insurance	12,200	-	12,200	5,700	-	5,700	10,600	-	10,600
Investment-linked insurance	1,000	-	1,000	1,360	-	1,360	560	-	560
Total	<u>48,793</u>	<u>-</u>	<u>48,793</u>	<u>54,779</u>	<u>-</u>	<u>54,779</u>	<u>43,043</u>	<u>-</u>	<u>43,043</u>
Net amount	<u>\$ 4,057,170</u>	<u>\$ 48,163</u>	<u>\$ 4,105,333</u>	<u>\$ 3,168,235</u>	<u>\$ 38,971</u>	<u>\$ 3,207,206</u>	<u>\$ 2,901,119</u>	<u>\$ 37,815</u>	<u>\$ 2,938,934</u>

Movement in reserve for claims is summarized below:

	For the Six Months Ended June 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 3,223,014	\$ 38,971	\$ 3,261,985	\$ 3,539,974	\$ 42,273	\$ 3,582,247
Reserve	4,102,216	48,156	4,150,372	2,942,708	37,679	2,980,387
Recover	(3,223,014)	(38,971)	(3,261,985)	(3,539,974)	(42,273)	(3,582,247)
Losses (gains) on foreign exchange	<u>3,747</u>	<u>7</u>	<u>3,754</u>	<u>1,454</u>	<u>136</u>	<u>1,590</u>
Ending balance	<u>4,105,963</u>	<u>48,163</u>	<u>4,154,126</u>	<u>2,944,162</u>	<u>37,815</u>	<u>2,981,977</u>
Less ceded unearned premium reserve:						
Beginning balance	54,779	-	54,779	44,168	-	44,168
Increase	48,758	-	48,758	43,027	-	43,027
Decrease	(54,779)	-	(54,779)	(44,168)	-	(44,168)
Losses (gains) on foreign exchange	<u>35</u>	<u>-</u>	<u>35</u>	<u>16</u>	<u>-</u>	<u>16</u>
Ending balance	<u>48,793</u>	<u>-</u>	<u>48,793</u>	<u>43,043</u>	<u>-</u>	<u>43,043</u>
Net amount	<u>\$ 4,057,170</u>	<u>\$ 48,163</u>	<u>\$ 4,105,333</u>	<u>\$ 2,901,119</u>	<u>\$ 37,815</u>	<u>\$ 2,938,934</u>

Reported but not paid claims are reserved according to insurance type and claims department's estimates based on each individual case's related information without exceeding promised insurance amount for covered accidents. Those reported but not paid reserve is reasonably assessed, sufficient to reflect actual claims paid. In addition, some types of claims are not expected to close shortly because these claims usually depend on court judgments before the closure. The legal department tracks the development of these claims and reasonably estimates claims reserve. The actuarial department assesses final unreported claims based on past claims experience with consideration of claims development trends for past closed cases, and then develop the final claims based on homogeneous features of each insurance through the loss development triangle method and Bornhuetter-Ferguson Method. Reserve for unreported and unclosed claims changes according to external environment. For example, actual loss rate will lead to fluctuations of claims. The actuarial department will evaluate periodically to make reasonable estimate of claims reserve.

d. Special reserve:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature		
	Insurance Contract		Total	Insurance Contract		Total	Insurance Contract		Total
Participating policies dividend reserve	\$ 6,598,947	\$ -	\$ 6,598,947	\$ 7,284,162	\$ -	\$ 7,284,162	\$ 6,880,164	\$ -	\$ 6,880,164
Dividend risk reserve	-	-	-	-	-	-	-	-	-
Total	<u>\$ 6,598,947</u>	<u>\$ -</u>	<u>\$ 6,598,947</u>	<u>\$ 7,284,162</u>	<u>\$ -</u>	<u>\$ 7,284,162</u>	<u>\$ 6,880,164</u>	<u>\$ -</u>	<u>\$ 6,880,164</u>

Movement in special reserve is summarized below:

	For the Six Months Ended June 30					
	2024			2023		
	Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature		
	Insurance Contract		Total	Insurance Contract		Total
Beginning balance	\$ 7,284,162	\$ -	\$ 7,284,162	\$ 8,507,932	\$ -	\$ 8,507,932
Reserve for participating policy dividend reserve	1,531,313	-	1,531,313	366,079	-	366,079
Recover for participating policy dividend reserve	(2,216,528)	-	(2,216,528)	(2,056,508)	-	(2,056,508)
Gain (loss) on equity instruments from participating dividend policy measured at FVTOCI	-	-	-	62,661	-	62,661
Ending balance	<u>\$ 6,598,947</u>	<u>\$ -</u>	<u>\$ 6,598,947</u>	<u>\$ 6,880,164</u>	<u>\$ -</u>	<u>\$ 6,880,164</u>

e. Special reserve for catastrophe and fluctuation of risks:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature		
	Insurance Contract		Total	Insurance Contract		Total	Insurance Contract		Total
Individual life insurance	\$ 2,451	\$ -	\$ 2,451	\$ 2,451	\$ -	\$ 2,451	\$ 2,302	\$ -	\$ 2,302
Individual injury insurance	1,010,136	-	1,010,136	1,010,136	-	1,010,136	940,255	-	940,255
Individual health insurance	2,165,239	-	2,165,239	2,165,239	-	2,165,239	2,580,980	-	2,580,980
Group insurance	3,852,199	-	3,852,199	3,852,199	-	3,852,199	3,657,214	-	3,657,214
Annuity insurance	-	312	312	-	312	312	-	362	362
Total	<u>\$ 7,030,025</u>	<u>\$ 312</u>	<u>\$ 7,030,337</u>	<u>\$ 7,030,025</u>	<u>\$ 312</u>	<u>\$ 7,030,337</u>	<u>\$ 7,180,751</u>	<u>\$ 362</u>	<u>\$ 7,181,113</u>

f. Premium deficiency reserve:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature			Financial Instruments with Discretionary Participation Feature		
	Insurance Contract		Total	Insurance Contract		Total	Insurance Contract		Total
Individual life insurance	\$ 1,225,018	\$ -	\$ 1,225,018	\$ 1,400,556	\$ -	\$ 1,400,556	\$ 1,657,710	\$ -	\$ 1,657,710
Individual health insurance	<u>88,417</u>	<u>-</u>	<u>88,417</u>	<u>92,597</u>	<u>-</u>	<u>92,597</u>	<u>96,634</u>	<u>-</u>	<u>96,634</u>
Total	<u>\$ 1,313,435</u>	<u>\$ -</u>	<u>\$ 1,313,435</u>	<u>\$ 1,493,153</u>	<u>\$ -</u>	<u>\$ 1,493,153</u>	<u>\$ 1,754,344</u>	<u>\$ -</u>	<u>\$ 1,754,344</u>

Premium deficiency reserve was not ceded in the above insurance contracts of KGI Life Insurance.

Movement in premium deficiency reserve is summarized below:

	For the Six Months Ended June 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 1,493,153	\$ -	\$ 1,493,153	\$ 1,991,327	\$ -	\$ 1,991,327
Reserve	84,173	-	84,173	167,582	-	167,582
Recover	(289,621)	-	(289,621)	(411,473)	-	(411,473)
Losses (gains) on foreign exchange	<u>25,730</u>	<u>-</u>	<u>25,730</u>	<u>6,908</u>	<u>-</u>	<u>6,908</u>
Ending balance	<u>\$ 1,313,435</u>	<u>\$ -</u>	<u>\$ 1,313,435</u>	<u>\$ 1,754,344</u>	<u>\$ -</u>	<u>\$ 1,754,344</u>

g. Other reserve:

	June 30, 2024			December 31, 2023			June 30, 2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Other	<u>\$ 17,941,158</u>	<u>\$ -</u>	<u>\$ 17,941,158</u>	<u>\$ 18,097,314</u>	<u>\$ -</u>	<u>\$ 18,097,314</u>	<u>\$ 18,253,183</u>	<u>\$ -</u>	<u>\$ 18,253,183</u>

Movement in other reserve is summarized below:

	For the Six Months Ended June 30					
	2024			2023		
	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total	Insurance Contract	Financial Instruments with Discretionary Participation Feature	Total
Beginning balance	\$ 18,097,314	\$ -	\$ 18,097,314	\$ 18,409,053	\$ -	\$ 18,409,053
Recover	<u>(156,156)</u>	<u>-</u>	<u>(156,156)</u>	<u>(155,870)</u>	<u>-</u>	<u>(155,870)</u>
Ending balance	<u>\$ 17,941,158</u>	<u>\$ -</u>	<u>\$ 17,941,158</u>	<u>\$ 18,253,183</u>	<u>\$ -</u>	<u>\$ 18,253,183</u>

The amount of other reserve is generated from the acquisition of the partial traditional insurance policies from Allianz Taiwan Life on May 18, 2018.

h. Liability adequacy reserve

	Insurance Contract and Financial Instruments with Discretionary Participation Feature		
	June 30, 2024	December 31, 2023	June 30, 2023
Reserve for life insurance liabilities	\$ 2,052,178,631	\$ 2,035,326,706	\$ 2,056,521,536
Unearned premium reserve	6,188,439	5,776,296	5,961,735
Premium deficiency reserve	1,313,435	1,493,153	1,754,344
Special reserve	6,598,947	7,284,162	6,880,164
Other reserve	<u>17,941,158</u>	<u>18,097,314</u>	<u>18,253,183</u>
Book value of insurance liabilities	<u>\$ 2,084,220,610</u>	<u>\$ 2,067,977,631</u>	<u>\$ 2,089,370,962</u>
Estimated present value of cash flows	<u>\$ 1,656,214,978</u>	<u>\$ 1,668,867,475</u>	<u>\$ 1,691,072,631</u>
Balance of liability adequacy reserve	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

KGI Life Insurance's liability adequacy testing methodology is listed as follows:

	June 30, 2024	December 31, 2023 and June 30, 2023
Test method	Gross premium valuation method (GPV)	Gross premium valuation method (GPV)
Groups	Integrated testing	Integrated testing
Assumptions	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2023)	Adopt the best estimated scenario investment return on the most recent actuarial report (the actuarial report of 2022).

i. Foreign exchange valuation reserve

1) The hedge strategy and risk exposure

KGI Life Insurance Co., Ltd. consistently adjusts the hedge ratios to establish an adequate risk exposure planning based on the new foreign exchange valuation exposure principle by integrating the exchange rate and interest rate trends of domestic and foreign financial markets. However, changes in the hedge and risk exposure ratios should follow the internal risk control to alert and adjust hedge strategy in advance to meet the optimal hedge considerations.

2) Adjustments in foreign exchange valuation reserve

	For the Six Months Ended June 30	
	2024	2023
Beginning balance	\$ 9,768,788	\$ 10,886,927
Reserve		
Compulsory reserve	1,289,990	999,504
Extra reserve	<u>8,542,328</u>	<u>3,394,879</u>
	9,832,318	4,394,383
Recover	<u>(2,815,632)</u>	<u>(3,770,073)</u>
Ending balance	<u>\$ 16,785,474</u>	<u>\$ 11,511,237</u>

3) Effects due to foreign exchange valuation reserve of KGI Life Insurance

Item	For the Six Months Ended June 30, 2024		
	Inapplicable Amount	Applicable Amount	Effects
Net income	\$ 16,599,784	\$ 10,986,436	\$ (5,613,348)
Earnings per share (dollar)	3.37	2.23	(1.14)
Foreign exchange valuation reserve	-	16,785,474	16,785,474
Equity	196,184,386	184,099,070	(12,085,316)

Item	For the Six Months Ended June 30, 2023		
	Inapplicable Amount	Applicable Amount	Effects
Net income	\$ 5,425,967	\$ 4,926,519	\$ (499,448)
Earnings per share (dollar)	1.10	1.00	(0.10)
Foreign exchange valuation reserve	-	11,511,237	11,511,237
Equity	143,120,708	135,254,780	(7,865,928)

32. RETIREMENT BENEFIT PLANS

The Group's retirement benefit plans include defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rate as of December 31, 2023 and 2022, and recognized respectively for the six months ended June 30, 2024 and 2023.

For the three months ended June 30, 2024 and 2023, the Group recognized its contributions under defined benefit plans as pension expenses (recognized as employee benefits) amounting to \$4,266 thousand and \$5,876 thousand, respectively, and recognized pension expenses (recognized as employee benefits) under defined contribution plans amounting to \$185,341 thousand and \$166,599 thousand, respectively, and for the six months ended June 30, 2024 and 2023 the Group recognized its contributions under defined benefit plans as pension expenses (recognized as employee benefits) amounting to \$8,602 thousand and \$13,322 thousand, respectively, and recognized pension expenses (recognized as employee benefits) under defined contribution plans amounting to \$360,804 thousand and \$341,189 thousand, respectively.

33. OTHER FINANCIAL LIABILITIES

	June 30, 2024	December 31, 2023	June 30, 2023
Separate-account product liabilities	\$ 122,783,526	\$ 115,525,739	\$ 112,414,448
Customers' equity accounts - futures	63,837,560	51,088,913	62,501,088
Principal received on structured products	48,257,203	42,245,278	43,392,905
Appropriation for loans	<u>2,720,000</u>	<u>1,713,333</u>	<u>1,320,000</u>
	<u>\$ 237,598,289</u>	<u>\$ 210,573,263</u>	<u>\$ 219,628,441</u>

34. EQUITY

a. Capital

Common stock

	June 30, 2024	December 31, 2023	June 30, 2023
Number of shares authorized (in thousands)	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Shares authorized	<u>\$ 250,000,000</u>	<u>\$ 250,000,000</u>	<u>\$ 250,000,000</u>
Number of shares issued and fully paid (in thousands) (Note)			
Common share	<u>16,832,181</u>	<u>16,834,581</u>	<u>16,839,289</u>
Preference share	<u>1,582,142</u>	<u>1,582,142</u>	<u>1,582,142</u>
Shares issued	<u>\$ 184,143,230</u>	<u>\$ 184,167,230</u>	<u>\$ 184,214,310</u>
Share capital awaiting retirement	<u>\$ 234,817</u>	<u>\$ 6,000</u>	<u>\$ 15,080</u>

Note: Par value of NT\$10.

Preferred shares

On October 1, 2021, the Company adopted a resolution of the extraordinary shareholders' meeting to take KGI Life Insurance as a 100%-owned subsidiary through share conversion. The Company issued 1,893,044 thousand preferred shares B, with a par value of NT\$10. The issue price is NT\$10 per share. According to the resolution of the board of directors on November 16, 2021, the date of the capital increase on December 30, 2021, and the preferred shares are classified under equity. The rights and obligations are as follows:

- 1) If the Company has a surplus after the year-end final accounts, it should first pay taxes and make up the losses accumulated from preceding years. After setting aside the legal reserve and setting aside or reversing the special reserve as required by law, if there is any remaining balance, it may first distribute the dividends for the year to which the preferred shares are entitled.
- 2) The dividend on the preferred shares is calculated at an annual rate of 3.55% (seven-year IRS 0.75% + 2.80%) based on the issue price per share. The seven-year IRS rate will reset on the business day following the seventh year from the issue date and every seven years thereafter. The interest rate reset record date is two Taiwan bank days prior to the interest rate reset date. The interest rate index seven-year IRS is the arithmetic average of Reuter's TAIFXIRS and COSMOS3 seven-year interest rate swap quotes priced at 11:00 a.m. on the interest rate reset record date. If such quotes are not available on the interest rate reset record date, The Company will decide in good faith and based on reasonable market conditions.

- 3) The dividend on the preferred shares is paid annually in cash after the board of directors set the record date for the distribution of the preceding year's dividend after the financial report is approved by the shareholders at the annual general meeting. The number of dividends paid in the year of issuance and the number of dividends received in the year of recovery are calculated based on the actual number of days the preferred shares are outstanding in that year.
- 4) The Company has the discretion to distribute dividends on the preferred shares. If the Company has no or insufficient surplus to distribute dividends on the preferred shares in its annual accounts, or if the distribution of dividends on the preferred shares will cause the Company's capital adequacy ratio to fall below the minimum requirements set by law or by the competent authorities, or if there are other necessary considerations, the Company may resolve not to distribute dividends on the preferred shares and the preferred shareholders shall not dissent.
- 5) The preferred shares are noncumulative, and any undistributed or under-distributed dividends will not be accumulated and deferred in coming years.
- 6) The preferred shareholders shall not participate in the distribution of earnings and capital surplus in cash and capitalization of common shares, except for receiving the dividends set forth in (2).
- 7) The preferred shareholders shall have priority in the distribution of the residual property of the Company over the common shareholders, and the shareholders of each class of preferred shares shall be paid in the same order, provided that such distribution shall not exceed the original amount of issuance.
- 8) The preferred shareholders shall not have voting rights at general shareholders' meetings, but may be elected as directors, and shall have voting rights at shareholders' meetings of preferred shares and at shareholders' meetings concerning the rights and obligations of preferred shareholders.
- 9) Preferred shares shall not be converted into common shares.
- 10) The preferred shares issued by the Company have no expiration date and the preferred shareholders have no right to require the Company to buy back the preferred shares held thereby. On the day following the expiration of seven years from the date of issuance, the Company may redeem all or part of the preferred shares issued at the actual issue price, and the un-redeemed preferred shares shall continue to be subject to the rights and obligations of the aforementioned terms of issuance. If the Company decides to pay dividends in the current year, the dividends payable as of the date of recovery are calculated based on the actual number of days the preferred shares are outstanding in that year.
- 11) When the Company issues new shares for cash, the preferred shareholders have the same right of first refusal to purchase the new shares as the common shareholders.

KGI Securities' board of directors, on behalf of the shareholders' meeting, approved the reduction of the above-mentioned preference stock of 310,901 thousand shares held by KGI Securities on February 18, 2022. The Company's board of directors approved the capital reduction and wrote off the treasury stock on April 25, 2022, which was endorsed by the FSC on June 13, 2022; the record date is July 8, 2022.

b. Capital surplus

	June 30, 2024	December 31, 2023	June 30, 2023
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership in subsidiaries	\$ 18,488,215	\$ 18,488,215	\$ 18,488,215
Additional paid-in capital	13,184,345	13,003,878	13,003,878
Arising from treasury stock transactions	1,682,294	1,682,294	1,682,294
Others	<u>370,889</u>	<u>414,215</u>	<u>340,896</u>
	<u>\$ 33,725,743</u>	<u>\$ 33,588,602</u>	<u>\$ 33,515,283</u>

The premium from shares issued in excess of par (share premium from issuance of common shares, treasury share transactions and excess of consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Company's capital surplus and once a year. The capital surplus from long-term investments may not be used for any purpose.

Under Order No. 10200017220 issued by the Financial Supervisory Commission (FSC), if the capital surplus obtained by a financial holding company through a stock conversion comes from its subsidiaries' unappropriated earnings net of legal reserve and special reserve, the surplus may be distributed as cash dividends or transferred to capital in the period of conversion, and the distribution is exempted from the appropriation restrictions of Article 41 of the Securities and Exchange Act and Article 8 of the Securities and Exchange Act Enforcement Rules.

c. Special revenue

According to Rule No. 09900738571 issued by the FSC and Rule No. 10000002891 issued under the Regulations Governing Securities Firms, Grand Cathay and GCFC reclassified the default reserve and the trading loss reserve that had been set up until December 31, 2010 to special reserve. The Group also recognizes special revenue according to the percentage of holdings by the Group in subsidiaries, directly and indirectly.

This special reserve should be used only to offset a deficit or when the special reserve has reached 50% of the Company's paid-in capital, up to 50% thereof may be transferred to paid-in capital or according to Rule No. 09900738571 issued by FSC, the Company reclassified the special reserve which exceed paid-in capital, then reversed the surpass part to retained earnings in line with the approval of FSC.

The Company recognizes or reserves special revenue under Article 41 of the Securities and Exchange Act, Rule No. 1090150022 issued by the FSC and Order No. 11102279031 issued by the FSC.

d. Appropriation of earnings

Considering the necessity of business development and earnings enhancement, as well as in compliance with the relevant laws and regulations, the Company adopts a residual dividends policy. Cash dividend may not be less than 10% of total dividend.

Where the Company made profit after annual final accounting, the profit shall be first utilized for paying taxes, making up losses for previous years, setting aside legal reserve as well as setting aside or reversing special reserve in accordance with the laws and regulations, and then the remaining of the profit together with the addition of adjusted undistributed retained earnings in the beginning of the period shall be used as the basis for the distribution of dividends and bonus to shareholders. After the distribution of preferred share dividends according to the Articles of Incorporation, the remaining is subject to the range from 30% to 100% of the basis for the distribution as dividend for common shareholders. The distribution plan shall be proposed by the board of directors and resolved in the annual general shareholders meeting.

The appropriation of earnings should be resolved by the shareholders in the following year and given effect to in the financial statements of that year.

The appropriation of earnings of 2023 and 2022 was approved in the shareholders' meeting on June 14, 2024 and June 17, 2023 as follows:

	Earnings Appropriation		Dividends Per Share (NT\$)	
	2023	2022	2023	2022
<u>Earnings appropriation</u>				
Legal reserve	\$ 1,977,508	\$ 1,909,777		
(Reversal) appropriation of special reserve	(9,855,898)	48,566,551		
Cash dividends	8,414,813	-	\$0.50	\$-
Preference share dividend	561,661	-	0.355	-

Related information can be accessed at the Market Observation Post System website of the Taiwan Stock Exchange.

35. INTEREST PROFIT, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Interest revenue</u>				
Securities	\$ 18,575,123	\$ 17,315,735	\$ 36,655,287	\$ 33,935,301
Discounts and loans	4,576,350	4,124,199	8,924,310	8,082,039
Others	2,764,118	2,440,304	5,334,130	4,608,648
	<u>25,915,591</u>	<u>23,880,238</u>	<u>50,913,727</u>	<u>46,625,988</u>
<u>Interest expense</u>				
Deposits	3,283,892	2,686,385	6,445,423	5,184,644
Notes and bonds issued under repurchase agreements	1,923,208	1,328,099	3,598,627	2,350,769
Security lending guarantee deposits	425,835	317,447	762,595	565,988
Structured notes	382,558	329,247	747,857	612,607
Borrowing interest expense	323,603	291,951	628,567	540,097
Others	943,102	603,053	1,774,498	1,238,595
	<u>7,282,198</u>	<u>5,556,182</u>	<u>13,957,567</u>	<u>10,492,700</u>
Interest profit, net	<u>\$ 18,633,393</u>	<u>\$ 18,324,056</u>	<u>\$ 36,956,160</u>	<u>\$ 36,133,288</u>

36. SERVICE FEE AND COMMISSION, NET

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Service fee revenue and commission income</u>				
Brokerage	\$ 4,608,708	\$ 3,145,559	\$ 8,560,175	\$ 5,898,831
Security lending	679,008	511,836	1,188,182	950,496
Others	<u>2,002,715</u>	<u>1,668,267</u>	<u>3,935,207</u>	<u>3,170,436</u>
	<u>7,290,431</u>	<u>5,325,662</u>	<u>13,683,564</u>	<u>10,019,763</u>
<u>Service fee expense and commission expense</u>				
Commission expense - insurance	3,071,680	3,531,938	6,036,372	6,936,030
Brokerage	963,265	599,939	1,732,662	1,113,582
Others	<u>695,016</u>	<u>582,499</u>	<u>1,298,939</u>	<u>1,169,562</u>
	<u>4,729,961</u>	<u>4,714,376</u>	<u>9,067,973</u>	<u>9,219,174</u>
Service fee and commission, net	<u>\$ 2,560,470</u>	<u>\$ 611,286</u>	<u>\$ 4,615,591</u>	<u>\$ 800,589</u>

37. NET INCOME FROM INSURANCE OPERATIONS

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
<u>Insurance business income</u>				
Premium income	\$ 37,876,374	\$ 38,964,193	\$ 71,005,913	\$ 76,147,910
Reinsurance premium expense	(484,701)	(462,946)	(1,045,812)	(877,602)
Changes in unearned premium reserve	<u>(923,816)</u>	<u>(1,131,504)</u>	<u>(420,461)</u>	<u>(861,381)</u>
Retained earned premium	36,467,857	37,369,743	69,539,640	74,408,927
Separate-account insurance products revenues	<u>4,710,383</u>	<u>4,682,658</u>	<u>10,566,654</u>	<u>8,037,625</u>
	<u>41,178,240</u>	<u>42,052,401</u>	<u>80,106,294</u>	<u>82,446,552</u>
<u>Insurance business expense</u>				
Insurance claim payments	(56,471,840)	(46,945,880)	(103,387,865)	(91,245,344)
Claims recovered from reinsures	<u>250,774</u>	<u>261,528</u>	<u>541,829</u>	<u>470,763</u>
Retained claim payments	(56,221,066)	(46,684,352)	(102,846,036)	(90,774,581)
Brokerage expense	(2,927)	(1,632)	(4,906)	(2,448)
Disbursements toward industry stability fund	(37,887)	(38,976)	(71,028)	(76,169)
Separate-account insurance products expenses	<u>(4,710,383)</u>	<u>(4,682,658)</u>	<u>(10,566,654)</u>	<u>(8,037,625)</u>
	<u>(60,972,263)</u>	<u>(51,407,618)</u>	<u>(113,488,624)</u>	<u>(98,890,823)</u>
Net income from insurance operations	<u>\$ (19,794,023)</u>	<u>\$ (9,355,217)</u>	<u>\$ (33,382,330)</u>	<u>\$ (16,444,271)</u>

38. GAIN (LOSS) ON FINANCIAL ASSETS OR LIABILITIES MEASURED AT FVTPL

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Derivatives	\$ (21,842,406)	\$ (24,720,292)	\$ (59,845,435)	\$ (25,124,740)
Stocks	19,692,732	10,323,766	42,984,308	31,050,123
Operating securities	6,428,357	1,109,498	10,437,883	3,463,935
Mutual funds	3,169,494	2,562,216	7,644,143	5,421,651
Bonds	111,380	1,571,057	442,265	2,220,314
Others	<u>(386,093)</u>	<u>(7,937)</u>	<u>(981,642)</u>	<u>484,456</u>
	<u>\$ 7,173,464</u>	<u>\$ (9,161,692)</u>	<u>\$ 681,522</u>	<u>\$ 17,515,739</u>

For the three months ended June 30, 2024 and 2023, the Group's financial assets and liabilities at fair value through profit or loss included interest revenue of \$796,757 thousand and \$656,320 thousand, respectively, and dividend income of \$3,361,743 thousand and \$5,681,620 thousand, respectively, and interest expense of \$0 and \$0 thousand, respectively, and for the six months ended June 30, 2024 and 2023, the Group's financial assets and liabilities at fair value through profit or loss included interest revenue of \$1,497,537 thousand and \$1,304,157 thousand, respectively, and dividend income of \$5,515,086 thousand and \$7,464,325 thousand, respectively, and interest expense of \$0 thousand and \$66,200 thousand, respectively.

39. REALIZED GAIN (LOSS) ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Dividend income	\$ 107,439	\$ 252,919	\$ 142,184	\$ 275,681
Gain on disposal of bonds	97,407	297,788	438,122	503,051
Others	<u>37</u>	<u>84</u>	<u>78</u>	<u>106</u>
	<u>\$ 204,883</u>	<u>\$ 550,791</u>	<u>\$ 580,384</u>	<u>\$ 778,838</u>

40. EMPLOYEE BENEFITS, DEPRECIATION AND AMORTIZATION EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Employee benefit expense				
Salaries and wages	\$ 4,460,340	\$ 3,906,980	\$ 8,998,052	\$ 7,815,743
Employee insurance	339,106	292,951	684,760	654,636
Pension	194,020	195,030	373,856	377,066
Others	<u>530,451</u>	<u>419,769</u>	<u>1,022,364</u>	<u>726,643</u>
	<u>\$ 5,523,917</u>	<u>\$ 4,814,730</u>	<u>\$ 11,079,032</u>	<u>\$ 9,574,088</u>
Depreciation and amortization expenses	<u>\$ 924,907</u>	<u>\$ 955,585</u>	<u>\$ 1,854,873</u>	<u>\$ 1,886,154</u>

The Company's Articles of Incorporation stipulate to distribute employees' compensation and remuneration to directors at the rates no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration to directors.

For the six months ended June 30, 2024 and 2023, the employees' compensation were \$183,000 thousand and \$104,000 thousand and the remuneration of directors were \$182,000 thousand and \$103,000 thousand.

The amounts of employees' compensation were \$195,000 thousand and \$179,000 thousand for 2023 and 2022, respectively, and the differences between the amount of employees' compensation and the amount recognized in the financial statements were both \$0 thousand; the amounts of directors' compensation were \$194,000 thousand and \$178,000 thousand for 2023 and 2022, respectively; the differences between the amount of directors' compensation and the amount recognized in the financial statements were both \$0 thousand, the aforementioned differences were due to changes in accounting estimates and were recorded as profit or loss in the following year.

The information on the proposed and approved compensation to employees and directors and supervisor is available on the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange.

41. INCOME TAX

Under Rule No. 910458039 issued by the Ministry of Finance on February 12, 2003, a financial holding company and its domestic subsidiaries holding over 90% of shares issued by the financial holding company for 12 months within the same tax year may choose to adopt the linked-tax system for income tax filings in accordance with Article 49 of Financial Holding Company Act and Article 40 of Business Mergers and Acquisitions Act. Thus, the Company adopted the linked-tax system for income tax filing with its eligible subsidiaries, income tax and unappropriated earnings tax filings.

The principle adopted by the Company and subsidiary under the linked-tax system is to reduce the income tax liabilities of the Company and subsidiary and to consider the fairness of the tax borne by all the companies in order to maximize the synergy of the Company and subsidiary. the Company and subsidiary adopt the linked-tax system for tax filings. The different amounts between tax expense and deferred tax liabilities and assets based on consolidation with its qualified subsidiaries are allocated and adjusted to income tax expense/benefit on the Company and each subsidiary pro rata; related amounts are recognized as receivables from parent or payable on parent.

a. Income tax expense recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current income tax				
Current period	\$ 66,478	\$ 610,919	\$ 300,052	\$ 1,238,041
Income tax on				
unappropriated earnings	448,263	-	448,263	-
Prior years	<u>(24,440)</u>	<u>(34,088)</u>	<u>21,235</u>	<u>(34,104)</u>
	490,301	576,831	769,550	1,203,937
Deferred income tax	<u>1,832,463</u>	<u>(25,726)</u>	<u>3,233,001</u>	<u>(811,333)</u>
Income tax expense recognized in profit or loss	<u>\$ 2,322,764</u>	<u>\$ 551,105</u>	<u>\$ 4,002,551</u>	<u>\$ 392,604</u>

- b. Income tax expense (benefit) recognized in other comprehensive income were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current income tax				
(Gain) loss on equity instruments at fair value through other comprehensive income	\$ (83,331)	\$ 10,219	\$ -	\$ 9,906
Deferred income tax				
(Gain) loss on debt instruments at fair value through other comprehensive income	(251,943)	(81,627)	(576,666)	(45,142)
(Gain) loss on equity instruments at fair value through other comprehensive income	(538,512)	91,474	(271,999)	(165,716)
(Gain) loss on reclassification using the overlay approach	<u>609,774</u>	<u>233,627</u>	<u>1,687,075</u>	<u>1,084,056</u>
Income tax expense (benefit)	<u>\$ (264,012)</u>	<u>\$ 253,693</u>	<u>\$ 838,410</u>	<u>\$ 883,104</u>

- c. Income tax expense (benefit) recognized in equity were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Current income tax				
Disposal of equity instruments at fair value through other comprehensive income	\$ -	\$ 48,793	\$ -	\$ 101,998
Deferred income tax				
(Gain) loss on equity instruments at fair value through other comprehensive income	-	(48,793)	-	(101,998)
Deferred income tax related to tax losses and reversals	<u>-</u>	<u>(3,846)</u>	<u>-</u>	<u>(8,739)</u>
Income tax expense (benefit)	<u>\$ -</u>	<u>\$ (3,846)</u>	<u>\$ -</u>	<u>\$ (8,739)</u>

- d. Income tax assessments

The Company's income tax returns through 2018 had been examined by the tax authorities.

The income tax returns of KGI bank through 2018 had been examined by the tax authorities. The income tax returns of CDIB Management Consulting Corporation through 2022 had been examined by the tax authorities. The income tax returns of CDC Finance & Leasing Corp. through 2021 had been examined by the tax authorities.

The income tax returns of KGI Securities through 2018 had been examined by the tax authorities. KGI Securities did not agree with the assessment of the taxes in 2015 and 2018 and was in the process of administrative remedy.

The income tax returns of KGI Securities Investment Advisory Co., Ltd., KGI Insurance Brokers Co., Ltd., KGI Venture Capital Co., Ltd., and KGI Information Technology Co., Ltd. through 2022 have been examined by the tax authorities. The income tax returns of KGI Futures Co., Ltd through 2021 have been examined by the tax authorities.

CDIB Capital Group's income tax returns through 2018 had been examined by the tax authorities.

The income tax returns of CDIB Capital Management Corporation, CDIB Capital Innovation Advisors Corporation and CDIB Venture Capital Corp through 2022 have been examined by the tax authorities.

The income tax returns of China Development Asset Management Corp. through 2019 have been examined by the tax authorities.

KGI Life Insurance's income tax returns through 2021 have been examined by the tax authorities, except for 2020, which has not yet been examined.

KGI Securities Investment Trust Co., Ltd.'s income tax returns through 2022 have been examined by the tax authorities.

42. EARNINGS PER SHARE

(New Taiwan Dollars)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Basic EPS	<u>\$ 0.49</u>	<u>\$ 0.40</u>	<u>\$ 0.98</u>	<u>\$ 0.61</u>
Diluted EPS	<u>\$ 0.49</u>	<u>\$ 0.40</u>	<u>\$ 0.97</u>	<u>\$ 0.60</u>

The earnings and weighted average number of common shares outstanding used in the computation of EPS were as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Earnings belong to Corporation	\$ 8,738,754	\$ 6,640,353	\$ 16,952,656	\$ 10,142,778
Less: Preference share dividends	<u>(561,661)</u>	<u>-</u>	<u>(561,661)</u>	<u>-</u>
Earnings used in the computation of EPS	<u>\$ 8,177,093</u>	<u>\$ 6,640,353</u>	<u>\$ 16,390,995</u>	<u>\$ 10,142,778</u>

Weighted Average Number of Common Shares Outstanding (In Thousand Shares)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Weighted average number of common shares outstanding in computation of basic EPS	16,742,365	16,742,073	16,742,219	16,742,073
Effect of dilutive potentially common shares:				
Restricted shares	<u>65,614</u>	<u>47,335</u>	<u>69,302</u>	<u>48,257</u>
Weighted average number of common shares outstanding in computation of diluted EPS	<u>16,807,979</u>	<u>16,789,408</u>	<u>16,811,521</u>	<u>16,790,330</u>

43. SHARE-BASED PAYMENT ARRANGEMENTS

On November 19, 2021, the board of directors of the Company has decided to issue restricted shares for \$1,099,910 thousand in total, and with a par value of \$10 per share, i.e., a total of 109,991 thousand shares at issue price of \$0. Further, the board of directors made December 1, 2021 the record date for the issuance of shares. On May 20, 2022, the board of directors of the Company has decided to issue restricted shares for \$11,000 thousand in total, with a par value of \$10 per share, i.e., a total of 1,100 thousand shares at issue price of \$0. Further, the board of directors made June 20, 2022 the record date for the issuance of shares. The fair value of the stock on the grant date is measured by performance indicators.

The vesting portion of shares was measured according to the achievement of the performance indicators, and the vesting rate of the shares is 40%, 30% and 30% in installments. Employees who have not met the vesting conditions cannot sell, pledge, transfer, donate, ask the Company to buy them back or in any other way dispose of these shares except in the case of inheritance. Besides, employees do not have preemptive rights when capital increase but do share the same rights of issued common stock (which includes but are not confined to cash dividends, stock dividends, capital decrease, capital surplus cash (stock) or any rights originated from the legal subject such as consolidation, split or stock-exchange which we called “allocated rights” thereafter). Allocated rights have to be in the trust before meeting the vesting conditions.

After the restricted shares are allocated to employees, the Company will retrieve and cancel the stocks with no reimbursement if the vesting conditions are not met. The Company will also retrieve the allocated rights at the rate of shares of vesting conditions not met divided by shares allocated, with no reimbursement. If the stocks are retrieved, they shall be cancelled in each year of the vesting period.

For the three months ended June 30, 2024 and 2023, the Company recognized compensation cost of \$20,236 thousand and \$36,991 thousand, respectively, and for the six months ended June 30, 2024 and 2023, the Company recognized compensation cost of \$97,018 thousand and \$131,278 thousand.

44. RELATED-PARTY TRANSACTIONS

The significant transactions and relationship with related parties (in addition to those disclosed in other notes) are summarized below:

a. Related parties

<u>Related Party</u>	<u>Relationship with the Group</u>
Others	Other related parties

b. Significant transactions with related parties

- 1) Purchase funds managed by related parties (recognized as financial assets at fair value through profit or loss)

	Amount
June 30, 2024	\$ 11,362,118
December 31, 2023	9,820,276
June 30, 2023	11,962,026

- 2) Revenue receivable (recognized as receivables, net)

	Amount
June 30, 2024	\$ 1,051,146
December 31, 2023	1,689,344
June 30, 2023	725,601

- 3) Receivable on margin loans (recognized as receivables, net)

	Amount
June 30, 2024	\$ 64,132
December 31, 2023	36,261
June 30, 2023	19,990

- 4) Credit card receivable (recognized as receivables, net)

	Amount
June 30, 2024	\$ 28,385
December 31, 2023	14,340
June 30, 2023	44,447

- 5) Other receivables (recognized as receivables, net)

	Amount
June 30, 2024	\$ 53,677
December 31, 2023	8,036
June 30, 2023	15,034

6) Discounts and loans, net

KGI Bank

	Amount	Interest Rate (%)
June 30, 2024	\$ 1,217,398	2.06-6.61
December 31, 2023	772,056	1.82-6.61
June 30, 2023	718,796	1.82-6.49

For the three months ended June 30, 2024 and 2023, the interest revenues from discounts and loans were \$7,319 thousand and \$3,676 thousand, respectively, and for the six months ended June 30, 2024 and 2023, the interest revenues from discounts and loans were \$13,669 thousand and \$7,299 thousand, respectively.

For the Six Months Ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	23	\$ 29,830	\$ 22,436	\$ 22,436	\$ -	None	Yes
Residential mortgage loans	64	761,050	710,910	710,910	-	Real estate	Yes
Others	6	494,930	484,052	484,052	-	None/real estate	Yes

For the Year Ended December 31, 2023

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	28	\$ 25,026	\$ 18,517	\$ 18,517	\$ -	None/credit guarantee fund	Yes
Residential mortgage loans	68	791,003	641,183	641,183	-	Real estate	Yes
Others	6	116,719	112,356	112,356	-	None/real estate	Yes

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

Category	Account Volume or Name of Related Party	Highest Balance	Ending Balance	Normal	Overdue	Type of Collateral	Is the Transaction at Arm's Length Commercial Term
Consumer loans	27	\$ 24,084	\$ 19,290	\$ 19,290	\$ -	None/credit guarantee fund	Yes
Residential mortgage loans	66	755,120	690,435	690,435	-	Real estate	Yes
Others	3	13,403	9,071	9,071	-	Real estate	Yes

KGI Life

	Amount
June 30, 2024	\$ 14,399
December 31, 2023	14,270
June 30, 2023	7,292

7) Guarantee deposits received in futures contracts (recognized as other financial assets)

	Amount
June 30, 2024	\$ 12,281
December 31, 2023	14,909
June 30, 2023	14,909

8) As of June 30, 2024 and December 31, 2023 and June 30, 2023, KGI Life Insurance has paid other related parties for the renovation on its behalf in an aggregate amount of \$226,703 thousand, \$127,445 thousand and \$26,092 thousand, which were recognized as investment property.

9) Other payables (recognized as payables)

	Amount
June 30, 2024	\$ 520,979
December 31, 2023	518,748
June 30, 2023	554,367

10) Deposits and remittances

	Amount	Interest Rate (%)
June 30, 2024	\$ 1,949,060	0-10.00
December 31, 2023	1,365,564	0-7.00
June 30, 2023	1,574,584	0-7.00

For the three months ended June 30, 2024 and 2023, the interest expenses from deposits and remittances were \$7,780 thousand and \$5,218 thousand, respectively, and for the six months ended June 30, 2024 and 2023, the interest expenses from deposits and remittances were \$14,181 thousand and \$10,233 thousand, respectively.

11) Unearned receipts (recognized as other liabilities)

	Amount
June 30, 2024	\$ 76,516
December 31, 2023	71,711
June 30, 2023	115,350

12) Equity of future trader

	Amount
June 30, 2024	\$ 36,716
December 31, 2023	22,426
June 30, 2023	23,994

13) Premium income (recognized as insurance operations, net)

	For the Three Months Ended June 30	For the Six Months Ended June 30
2024	\$ 15,090	\$ 35,896
2023	43,238	79,958

14) Rental revenue (recognized as gain or loss on investment property)

	For the Three Months Ended June 30	For the Six Months Ended June 30
2024	\$ 53,916	\$ 107,885
2023	53,801	107,652

15) Service fee and commission, net

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Other related parties	\$ 315,074	\$ 623,247
<u>2023</u>		
Other related parties	129,928	262,849

16) Donation (recognized as other general and administrative expense)

	For the Three Months Ended June 30	For the Six Months Ended June 30
2024	\$ 50,750	\$ 50,750
2023	53,445	53,445

17) Gain (loss) on financial assets or liabilities measured at FVTPL-dividend income

	For the Three Months Ended June 30	For the Six Months Ended June 30
2024	\$ 118,792	\$ 281,220
2023	112,801	174,436

18) Outstanding derivative financial instruments

	June 30, 2024	December 31, 2023	June 30, 2023
	Contract Amount	Contract Amount	Contract Amount
<u>Structured products liabilities</u>			
Other related parties	\$ 51,174	\$ 19,993	\$ 18,000

19) Remuneration of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Salary and short-term benefits	\$ 270,364	\$ 248,537	\$ 502,942	\$ 442,908
Share-based payments	6,582	13,959	19,235	27,711
Post-employment benefits	<u>4,780</u>	<u>5,957</u>	<u>5,142</u>	<u>8,912</u>
	<u>\$ 281,726</u>	<u>\$ 268,453</u>	<u>\$ 527,319</u>	<u>\$ 479,531</u>

The terms of the transactions with related parties were similar to those for third parties, except for certain preferential interest rates for employees' savings in and borrowings from KGI Bank.

Based on the Banking Act 32 and 33, except for consumer loans and government loans, credits extended by KGI Bank to any related party were fully secured, and the other terms of these credits were similar to those for third parties.

- c. Related-party transactions were at costs or prices of at least NT\$100 million

The significant transactions and relationship of the Company's subsidiaries with related parties were summarized below:

KGI Bank and subsidiaries

Related Party	Relationship with the KGI Bank and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

- 1) Futures contract (recognized as cash and cash equivalents)

Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 277,424	\$ 308,517	\$ 678,474

- 2) Purchase and sale of bonds

	Purchase of Bonds
<u>For the six months ended June 30, 2024</u>	
Subsidiary of the parent company	\$ 1,682,525

- 3) Receivables from sales of marketable securities (accounts receivable - net)

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 364,800	\$ 312,426	\$ 111,717

- 4) Discounts and loans, net

	Amount	Interest Rate (%)
<u>June 30, 2024</u>		
Other related parties	\$ 380,185	3.11-3.25

5) Lease agreements

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Lease liabilities</u>			
Subsidiary of the parent company	\$ 2,107,207	\$ 2,190,739	\$ 2,273,942

Determination of rental price above is similar with market price, and payment of rental fee is on a monthly basis.

6) Payable on parent (recognized as current tax liabilities)

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 1,217,220	\$ 910,382	\$ 826,444

The payables resulted from the parent company and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns.

7) Payables from purchase of securities (recognized as payables)

	December 31, 2023
Subsidiary of the parent company	\$ 512,954

8) Deposits and remittances

	Amount	Interest Rate (%)
<u>June 30, 2024</u>		
Parent company	\$ 12,584,605	0-1.56
Subsidiary of the parent company	24,522,718	0-5.55
<u>December 31, 2023</u>		
Parent company	1,985,797	0-1.50
Subsidiary of the parent company	26,134,613	0-5.60
<u>June 30, 2023</u>		
Parent company	3,325,034	0-1.50
Subsidiary of the parent company	22,042,888	0-5.00

9) Temporary receipts (recognized as other liabilities)

	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 560,074	\$ 613,254

The above account is temporary receipts of Automated Clearing House (ACH).

10) Service fee revenue

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Subsidiary of the parent company	\$ 85,444	\$ 231,715
<u>2023</u>		
Subsidiary of the parent company	41,761	107,434

11) Outstanding derivative financial instrument

June 30, 2024

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Currency swap contracts	January 17, 2024 - November 20, 2024	\$ 40,238,000	\$ 1,319,875	Financial assets at FVTPL	\$ 1,319,875
	Cross-currency swap contracts	August 26, 2021 - May 26, 2026	793,266	(31,593)	Financial assets at FVTPL	11,331
					Financial liabilities at FVTPL	76,046

December 31, 2023

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Currency swap contracts	May 19, 2023- April 17, 2024	\$ 15,060,150	\$ 125,010	Financial assets at FVTPL	\$ 250,793
					Financial liabilities at FVTPL	125,783
	Foreign exchange forward contracts	November 22, 2023- January 19, 2024	13,554,135	(300,969)	Financial liabilities at FVTPL	300,969
	Cross-currency swap contracts	August 26, 2021- May 26, 2025	792,026	(17,808)	Financial assets at FVTPL	7,592
					Financial liabilities at FVTPL	33,122

June 30, 2023

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Currency swap contracts	January 13, 2023 - March 22, 2024	\$ 13,076,700	\$ 216,954	Financial assets at FVTPL	\$ 216,954
	Cross-currency swap contracts	August 26, 2021 - May 26, 2025	784,429	(31,283)	Financial assets at FVTPL	1,819
					Financial liabilities at FVTPL	40,825

KGI Securities and subsidiaries

Related Party	Relationship with the KGI Securities and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	June 30, 2024	December 31, 2023
Subsidiary of the parent company	\$ 498,130	\$ 200,548

2) Financial assets at fair value through profit and loss - current

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Open ended fund and money market instruments and other securities</u>			
Other related parties	\$ 301,051	\$ 505,327	\$ 517,601
<u>Operating securities</u>			
Subsidiary of the parent company	4,832,453	4,831,706	4,830,091
Other related parties	374,422	338,432	415,250

3) Purchase and sale of bonds

	Sale of Bonds
<u>For the six months ended June 30, 2023</u>	
Subsidiary of the parent company	\$ 1,682,525

4) Guarantee deposits received in futures contracts

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 261,438	\$ 1,455,257	\$ 2,069,444

5) Accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ -	\$ 200,533	\$ 193,885
Other related parties	334,260	1,404,881	375,140

6) Other current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 15,629,616	\$ 14,887,057	\$ 8,624,267

7) Customers' equity accounts - futures

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 299,053	\$ 367,749	\$ 701,874

8) Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 364,991	\$ -	\$ 111,758
Other related parties	347,855	435,384	374,553

9) Current tax liabilities

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 2,398,941	\$ 1,852,683	\$ 1,509,243

10) Other operating income

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Subsidiary of the parent company	\$ 67,155	\$ 113,909
<u>2023</u>		
Subsidiary of the parent company	66,928	123,313

11) Other gains and losses

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Subsidiary of the parent company	\$ 87,731	\$ 164,077

CDIB Capital Group and subsidiaries

Related Party	Relationship with CDIB Capital Group and Subsidiaries
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 2,519,629	\$ 2,459,509	\$ 2,708,798

2) Revenue receivable (recognized as other receivables)

	For the Six Months Ended June 30, 2024
Other related parties	\$ 121,429

3) Receivables from parent (recognized as current tax assets)

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 243,911	\$ 219,957	\$ 219,850

The receivables resulted from parent company and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns since 2003.

4) Purchase of financial assets at fair value through profit or loss

	Underlying Assets	Purchase Price
<u>For the six months ended December 31, 2023</u>		
Subsidiary of the parent company	Private equity fund	\$ 1,005,984

5) Lease agreements

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Lease liabilities</u>			
Subsidiary of the parent company	\$ 637,502	\$ 661,621	\$ 685,631

Determination of rental price above is similar with market price, and payment of rental fee is on a monthly/quarterly basis.

6) Payables from purchase of securities (recognized as other payables)

	June 30, 2023
Subsidiary of the parent company	\$ 221,827

7) Payables to parent (recognized as current tax liabilities)

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 591,054	\$ 546,126	\$ 616,148

The payables resulted from parent company and its eligible subsidiaries' adopting the linked-tax system in the filing of tax returns since 2003.

8) Outstanding derivative financial instrument

June 30, 2024

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	August 26, 2021 - May 26, 2026	\$ 648,285	\$ 28,384	Financial assets at FVTPL	\$ 62,500
		June 28, 2024 - September 28, 2024	238,419	7,421	Financial liabilities at FVTPL	213

December 31, 2023

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	August 26, 2021 - May 26, 2025	\$ 622,258	\$ 16,090	Financial assets at FVTPL	\$ 31,856
		March 31, 2023 - March 31, 2024	225,076	(7,456)	Financial liabilities at FVTPL	7,349

June 30, 2023

(In Thousands of New Taiwan Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiaries of the parent company	Cross-currency swap contracts	August 26, 2021 - May 26, 2025	\$ 630,357	\$ 22,636	Financial assets at FVTPL	\$ 39,265
		March 31, 2023 - March 31, 2024	228,005	(1,729)	Financial liabilities at FVTPL	1,761

China Development Asset Management Corp.

Related Party	Relationship with the China Development Asset Management Corp.
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	June 30, 2024	December 31, 2023
Subsidiary of the parent company	\$ 200,489	\$ 300,943

2) Lease agreements

	June 30, 2024	December 31, 2023	June 30, 2023
<u>Lease liabilities</u>			
Subsidiary of the parent company	\$ 103,035	\$ 106,780	\$ 110,507

KGI Life Insurance

Related Party	Relationship with the China Life Insurance
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
KGI Securities Investment Trust Co., Ltd.	Subsidiary of the parent company
Others	Other related parties

1) Cash in banks (recognized as cash and cash equivalents)

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 5,334,025	\$ 6,777,032	\$ 8,584,478

2) Receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 164,732	\$ 1,292,134	\$ 946,611
Other related parties	214,966	205,061	195,156

3) Current tax assets

	June 30, 2024	December 31, 2023	June 30, 2023
Parent company	\$ 4,266,816	\$ 2,683,885	\$ 1,032,587

The above refers to the tax that the Company, the parent company and its eligible subsidiaries' adoption of the linked-tax system in filing of tax returns, which should be collected from the parent company.

4) Purchase funds managed by related parties (recognized as financial assets at fair value through profit or loss)

	June 30, 2024	December 31, 2023	June 30, 2023
Other related parties	\$ 10,659,980	\$ 8,950,025	\$ 11,029,175

5) Disposal of financial assets at fair value through profit or loss

	Underlying Assets	Proceeds	Gain on Disposal
<u>For the three months ended June 30</u>			
Subsidiary of the parent company	Private equity fund	\$ 1,005,441	\$ 162,979
<u>For the six months ended June 30</u>			
Subsidiary of the parent company	Private equity fund	1,005,441	162,979

6) Payables

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 332,849	\$ 625,600	\$ 102,730

7) As of June 30, 2024, December 31, 2023 and June 30, 2023, the Company had paid other related parties to perform renovations on its behalf for an aggregate amount of \$226,703 thousand, \$127,445 thousand and \$26,092 thousand, respectively (recognized as prepayment for equipment - investment property).

8) Bonds payable

	June 30, 2024	December 31, 2023	June 30, 2023
Subsidiary of the parent company	\$ 4,850,000	\$ 4,850,000	\$ 4,850,000

9) Current tax liabilities

	June 30, 2023
Parent company	\$ 121,077

The above refers to the tax that should be paid to the parent company, resulted from parent company and its eligible subsidiaries' adoption of the linked-tax system in filing of tax returns.

10) Financial assets at fair value through profit or loss - dividend income

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Other related parties	\$ 117,490	\$ 276,178
<u>2023</u>		
Other related parties	111,768	172,840

11) Commission expense

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Subsidiary of the parent company	\$ 148,293	\$ 338,068
<u>2023</u>		
Subsidiary of the parent company	66,529	122,606

12) Outstanding derivative financial instrument

June 30, 2024

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	January 17, 2024 - November 20, 2024	US\$ 1,240,000	Financial liabilities at FVTPL	\$ 1,324,043

December 31, 2023

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	October 13, 2023 - April 17, 2024	US\$ 120,000	Financial assets at FVTPL	\$ 126,775
		May 19, 2023 - March 22, 2024	US\$ 370,000	Financial liabilities at FVTPL	248,376
	Foreign exchange forward contracts	November 22, 2023 - January 19, 2024	US\$ 441,000	Financial assets at FVTPL	303,762

June 30, 2023

(In Thousands of New Taiwan Dollars/U.S. Dollars)

Related Party	Contract Type	Contract Period	Contract Amount	Balance Sheet	
				Account	Balance
Subsidiary of the parent company	Currency swap contracts	January 13, 2023 - March 22, 2024	US\$ 420,000	Financial liabilities at FVTPL	\$ 210,376

KGI Securities Investment Trust

<u>Related Party</u>	<u>Relationship with the China Life Insurance</u>
KGI Financial Holding Co., Ltd.	Parent company
KGI Bank and subsidiaries	Subsidiary of the parent company
KGI Securities and subsidiaries	Subsidiary of the parent company
CDIB Capital Group and subsidiaries	Subsidiary of the parent company
KGI Life Insurance	Subsidiary of the parent company
Others	Other related parties

1) Management fee

	For the Three Months Ended June 30	For the Six Months Ended June 30
<u>2024</u>		
Other related parties	\$ 184,877	\$ 366,235
<u>2023</u>		
Other related parties	163,816	319,434

45. PLEDGED ASSETS

The following assets and partial guarantee recognized as other current assets have been (a) pledged to various financial institutions as guarantees and collaterals for short-term loans, commercial paper payable, long-term loans, and overdraft, (b) pledged with Taipei Exchange Securities Market for settlement reserve, (c) required by the Central Bank for day-term overdraft, (d) required by government for bidding of government bonds, (e) pledged as part of the requirements for filing a petition for tax reassessment, (f) pledged as operating guarantee, compensation reserve and wealth management compensation, (g) pledged as guarantee deposit for overseas bonds sold with repurchase agreement, and (h) derivative transactions security deposit.

	June 30, 2024	December 31, 2023	June 30, 2023
Investments in debt instruments measured at amortized cost - negotiable certificates of deposit	\$ 18,930,000	\$ 18,730,000	\$ 14,500,000
Property and equipment, net	4,247,600	4,388,309	4,482,850
Financial assets at fair value through other comprehensive income - negotiable certificates of deposit	-	299,607	3,595,420
Other financial assets - pledged deposits	2,126,021	2,107,942	1,999,624
Financial assets at fair value through profit or loss	1,069,637	809,728	1,984,371
Accounts receivable - installment accounts receivables and lease receivables	1,047,614	1,216,249	955,606
Investment property, net	513,567	391,407	393,591
Financial assets at fair value through other comprehensive income	217,005	200,364	206,356
Due from the Central Bank and call loans to financial institutions	158,081	148,736	-

46. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Commitments and contingencies of the Group, except for those disclosed in Notes 48 and 50 were summarized as follows:

- a. Securities and Futures Investors Protection Center sued Grand Cathay (KGI Securities as the survivor company after merging on June 22, 2013) and claimed that due to the fact that KGI Securities was the lead underwriter of Taiwan Kolin Co., Ltd. 2nd convertible bonds which issued on November 7, 2007, KGI Securities must have but not performed sufficient audits on the contents disclosed in the prospectus of Taiwan Kolin Co., Ltd. 2nd convertible corporate bonds, which against the Article 20 and 32 of Securities and Exchange Act and the Article 184 and 185 of Civil Code. On June 14, 2010, the plaintiffs sued KGI Securities, Taiwan Kolin Co., Ltd., the principal of formerly management team, Moore Stephens and the auditor with jointly liability amounted to \$133,308 thousand plus 5% interest. The Taipei District Court judged that KGI Securities won favorable decisions in the first instance on January 29, 2021. After an appeal by the Securities and Futures Investors Protection Center, the case is currently being heard by the Taiwan High Court.
- b. Plaintiffs, Digital Imaging Solution Global Ltd. (“Digital”) and Minda Consulting Ltd. (“Minda”), advocated that GT based on stock pledge generated from loans of HK\$10,000 thousand with Minda and Minda transferred its pledge right on Digital to GT, GT transferred a pledge right of 35,000 thousand shares of eCyberChina to Minda in exchange. However, GT and its fund managers, including KGI Limited, disposed the 2,000 thousand shares of eCyberChina without Minda’s approval and thus violated the pledge agreement. Therefore, Digital and Minda filed a lawsuit to the GT in November 2007 and requested for compensation of HK\$119,130 thousand and related expenses and interest. In February 2008, Digital and Minda added KGI Limited as a defendant. On July 21, 2008, the appeal was dismissed by courts of Hong Kong and the plaintiffs appealed to a higher court. In December 2008, the courts of appeals dismissed the appeal by Digital while the appeal by Minda is still pending in the courts of appeals.
- c. The case KGI Bank acted vigorously in regard to Prince Motors’ overdue debt. In December 2012, a third party filed a lawsuit claiming that the Bank fraudulently infringed upon the property rights of creditors on Dun Nan building. On February 14, 2014, the Taipei District Court adjudicated that the mortgage is cancelled, and the Bank has to return the amount of \$1,786,318 thousand. The Bank has appealed against this sentence on March 10, 2014. The original adjudication in favor of the third party was revoked by the court. The third party filed a new appeal, and the Supreme Court ordered the high court to conduct a new trial on November 9, 2018. The High Court issued a judgment on August 17, 2021, upholding the original Taipei District Court’s decision to revoke the part of the mortgage, and dismissed the third party’s request for the Bank to pay the received money. The Bank or the third-party files a third-instance appeal for losing part of the lawsuit on September 2021. On May 30, 2024, the Taiwan Supreme Court annulled the judgment of the Taiwan High Court and remanded the case to the Taiwan High Court for a new trial. As of the date of approval by the board of directors of the consolidated financial statements, the case is still under trial in the Taiwan High Court.

47. INDIVIDUAL PROFITABILITY AND CONSOLIDATED PROFIT ABILITIES OF PARENT COMPANY, KGI BANK, KGI SECURITIES AND KGI LIFE INSURANCE

Consolidated Profitability

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	1.11	0.58
	After income tax	0.90	0.56
Return on net worth	Before income tax	14.94	9.31
	After income tax	12.09	8.96
Profit margin		61.61	35.80

Profitability of KGI Financial Holdings

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	10.42	7.23
	After income tax	9.83	7.15
Return on net worth	Before income tax	12.78	9.02
	After income tax	12.09	8.96
Profit margin		88.87	91.04

Profitability of KGI Bank

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	0.79	0.89
	After income tax	0.69	0.77
Return on net worth	Before income tax	9.38	10.91
	After income tax	8.16	9.49
Profit margin		36.26	44.34

Profitability of KGI Securities

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	3.48	3.06
	After income tax	3.14	2.78
Return on net worth	Before income tax	20.58	14.89
	After income tax	18.54	13.55
Profit margin		39.38	38.10

Profitability of KGI Life Insurance

(%)

Items		June 30, 2024	June 30, 2023
Return on total assets	Before income tax	1.08	0.40
	After income tax	0.92	0.43
Return on net worth	Before income tax	15.51	7.61
	After income tax	13.22	8.15
Profit margin		8.78	4.23

48. FINANCIAL INSTRUMENTS

a. The definitions of each hierarchy are as follows:

- 1) Level 1 fair values are quoted prices in active markets for financial instruments.
- 2) Level 2 fair values refer to directly or indirectly observable inputs other than Level 1 quoted prices, such as the quoted prices of similar financial instruments in active markets; in less active markets, fair values are quoted prices of the same or similar financial instruments or financial instruments that can be generated by using pricing models that use inputs such as interest rates, yield curves and volatility rates, which are derived from or can be corroborated with observable market data.
- 3) Level 3 refers to inputs that are not based on observable market data.

b. Fair value

- 1) The fair value hierarchy of financial instruments were as follows:

June 30, 2024

	(In Thousands of New Taiwan Dollars)			
	Level 1	Level 2	Level 3	Total
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	\$ 241,322,825	\$ 149,927	\$ 12,576,588	\$ 254,049,340
Bond investments	30,557,107	80,631,093	794,822	111,983,022
Others	156,876,493	13,892,537	40,626,198	211,395,228
Financial assets designated as at FVTPL	-	-	9,023,692	9,023,692
Financial assets at FVTOCI				
Stock investments	21,338,658	-	10,427,366	31,766,024
Bond investments	146,239,123	72,609,902	-	218,849,025
Others	-	1,646,607	-	1,646,607
Other financial assets				
Purchased debt receivable	-	-	153,561	153,561
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	5,805,566	4,898,721	-	10,704,287
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	3,483,934	34,727,055	1,741,993	39,952,982
Financial assets for hedging	-	997,658	-	997,658
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	2,172,993	52,573,512	6,528,658	61,275,163
Financial liabilities designated as at FVTPL	-	6,573,792	-	6,573,792
Financial liabilities for hedging	-	973,786	-	973,786

December 31, 2023

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	\$ 177,952,461	\$ 210,969	\$ 11,255,813	\$ 189,419,243
Bond investments	26,634,074	73,988,252	880,483	101,502,809
Others	148,226,329	12,721,296	36,120,206	197,067,831
Financial assets designated as at FVTPL	-	-	8,446,585	8,446,585
Financial assets at FVTOCI				
Stock investments	18,470,837	-	11,830,332	30,301,169
Bond investments	144,038,798	72,587,388	-	216,626,186
Others	-	2,433,259	-	2,433,259
Other financial assets				
Purchased debt receivable	-	-	160,766	160,766
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	3,936,913	4,283,740	-	8,220,653
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	762,217	52,566,274	1,152,972	54,481,463
Financial assets for hedging	-	835,695	-	835,695
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,515,674	40,592,972	4,213,553	46,322,199
Financial liabilities designated as at FVTPL	1,063	7,937,195	-	7,938,258
Financial liabilities for hedging	-	697,122	-	697,122

June 30, 2023

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
<u>Non-derivative financial instruments</u>				
Assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock investments	\$ 179,108,013	\$ 293,226	\$ 10,366,184	\$ 189,767,423
Bond investments	30,012,597	76,689,087	924,390	107,626,074
Others	159,335,038	15,689,672	39,191,286	214,215,996
Financial assets designated as at FVTPL	-	-	8,542,326	8,542,326
Financial assets at FVTOCI				
Stock investments	17,354,871	-	14,120,900	31,475,771
Bond investments	140,259,572	67,651,021	-	207,910,593
Others	-	19,123,036	-	19,123,036
Other financial assets				
Purchased debt receivable	-	-	169,791	169,791
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	2,874,289	5,678,439	-	8,552,728
<u>Derivative financial instruments</u>				
Assets				
Financial assets at FVTPL	1,141,079	35,365,942	1,327,188	37,834,209
Financial assets for hedging	-	1,685,211	-	1,685,211
Liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	1,400,471	56,311,790	4,851,466	62,563,727
Financial liabilities designated as at FVTPL	951	9,275,930	-	9,276,881
Financial liabilities for hedging	-	704,447	-	704,447

2) Evaluation technology at fair value

For financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income, fair value is determined at quoted market prices. When market prices of the Group's various financial instruments are not readily available, fair values are estimated by using appropriate valuation models or other banks' transaction prices. The information the Group uses for fair value estimation is consistent with that generally used in the market; the basis of the theory is commonly recognized by the industry. The type of relevant methodology can roughly divide into analytical solution model (for example: Black-Scholes model) and numerical method model (for example Monte Carlo simulation).

3) Reconciliation of fair value

a) The limitation of valuation techniques and uncertain inputs

Valuation techniques incorporate assumptions are dependent on the instrument type and available market data. However, certain model inputs may be less readily determinable from valuation techniques. In these circumstances, valuation model would adopt additional parameters and/or model assumptions such as model risk or Liquidity Risk and so on, to make fair value adjustment. According to our policies of Valuation management and relevant control procedure, the Company's management considers that Valuation adjustments are necessary and appropriate. To accept approaches and principles for the making the appropriate adjustments, all parameters and price information should be evaluated thoroughly and make reference from market situation.

b) Credit risk valuation adjustments

Credit risk valuation adjustments are classified into Credit value adjustments and Debit value adjustments, and definitions are the following:

- The credit valuation adjustment is an adjustment to the valuation of OTC derivative financial instrument contracts to reflect within fair value the possibility that the counterparty may default, and that the Company may not receive the full market value of the transactions.
- The debit valuation adjustment is an adjustment to the valuation of OTC derivative financial instrument contracts to reflect within fair value the possibility that the Group may default, and that the Group may not pay full market value of the transactions.

The Group calculates their debit valuation adjustment on the basis of their international credit assessment and model and international accounting standard of a counterparty's probability of default (PD), which is subject to standard supervisory parameters, take loss given default (LGD) into consideration and multiplied by their estimates of the counterparty's exposure at default (EAD). On the contrary, the Group calculates their credit valuation adjustment on the basis of the Group's PD, which is subject to standard supervisory parameters, take LGD into consideration and multiplied by their estimates of the Group's EAD.

The Group calculates the counterparty's EAD with OTC derivative's market to market value and the counterparty's LGD, which is 60 percent of EAD based on Taiwan Stock Exchange (TWSE) guidance.

The Group takes Credit risk valuation adjustments for determining the fair value of financial instruments and reflect counterparty's credit risk and the Company's credit quality.

4) Transfers between Level 1 and Level 2

There was no transfer from level one into level two or level two into level one for the six months ended June 30, 2024 and 2023.

5) Reconciliation of Level 3 items of financial instruments

The movements of financial assets with Level 3 fair value were as follows:

For the Six Months Ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 49,409,474	\$ 3,390,182	\$ 3,685,191	\$ 91,904	\$ (661,657)	\$ (175,493)	\$ 55,739,601
Financial assets designated as at FVTPL	8,446,585	178,402	482,730	-	(84,025)	-	9,023,692
Financial assets at FVTOCI	11,830,332	(1,389,576)	-	-	(13,390)	-	10,427,366
Other financial assets							
Purchased debt receivable	160,766	5,532	-	-	(12,737)	-	153,561

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 49,399,891	\$ (388,722)	\$ 5,648,265	\$ -	\$ (2,850,386)	\$ -	\$ 51,809,048
Financial assets designated as at FVTPL	7,031,671	1,387,857	236,787	-	(113,989)	-	8,542,326
Financial assets at FVTOCI	15,412,018	(1,272,798)	-	-	(18,320)	-	14,120,900
Other financial assets							
Purchased debt receivable	188,032	5,017	-	-	(23,258)	-	169,791

Note 1: For parts of stock investments, the Company's subsidiaries acquired their observable market information from available to unavailable, causing the applicable level of stock investment transfer to level 3.

Note 2: For parts of stock investments, the Company's subsidiaries acquired their observable market material, causing the applicable level of stock investment transfer from level 3.

The movements of financial liabilities with Level 3 fair value were as follows:

For the Six Months Ended June 30, 2024

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial liabilities at FVTPL Financial liabilities held for trading	\$ 4,213,553	\$ 636,787	\$ 2,249,307	\$ -	\$ (570,989)	\$ -	\$ 6,528,658

For the Six Months Ended June 30, 2023

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gain (Loss) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase or Issue	Transfer to Level 3	Sale, Disposal or Settlement	Transfer from Level 3	
Financial liabilities at FVTPL Financial liabilities held for trading	\$ 3,859,342	\$ 376,506	\$ 810,711	\$ -	\$ (195,093)	\$ -	\$ 4,851,466

The total gains or losses for the six months ended June 30, 2024 and 2023 included a gain of \$182,984 thousand and \$1,794,971 thousand relating to assets and liabilities measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

6) Quantitative information about significant unobservable inputs (Level 3)

KGI Bank and subsidiaries

The table below lists quantitative unobservable inputs of Level 3 financial instruments:

	Fair Value at June 30, 2024	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTPL	\$ 447,822	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to the liquidity discount rate
Financial assets at FVTOCI	942,449	Market approach	P/B, Discount for lack of liquidity	2.03 27.20%	Multiplier is proportional to fair value, fair value is inversely proportional to discount for lack of liquidity
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control
Derivative financial instruments					
Financial assets at FVTPL	1,751,522	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios
Financial liabilities at FVTPL	1,751,452	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios

	Fair Value at December 31, 2023	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTPL	\$ 413,347	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to discount for liquidity discount ratios
Financial assets at FVTOCI	923,832	Market approach	P/B, Discount for lack of liquidity	1.28 27.20%	Multiplier is proportional to fair value, fair value is inversely proportional to discount for lack of liquidity
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control
Derivative financial instruments					
Financial assets at FVTPL	1,160,254	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios
Financial liabilities at FVTPL	1,160,272	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios

	Fair Value at June 30, 2023	Valuation Technique(s)	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial instruments					
Financial assets at FVTPL	\$ 414,777	Quoted price of counterparties	Liquidity discount ratios	Beyond estimation	Fair value is inversely proportional to the liquidity discount rate
Financial assets at FVTOCI	936,604	Market approach	P/B, Discount for lack of liquidity	1.24 27.20%	Multiplier is proportional to fair value, fair value is inversely proportional to discount for lack of liquidity
		Net asset method	Discount for lack of liquidity and control	11%	Fair value is inversely proportional to discount for lack of liquidity and control
Derivative financial instruments					
Financial assets at FVTPL	1,327,115	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios
Financial liabilities at FVTPL	1,327,128	Hull White Model, Libor Market Model, BS Model, discounted cash flow/ quoted price of counterparties	Mean Reversion, Sigma, Correlation, shift Parameter/ liquidity discount ratios	Adjusted daily based on market information /beyond estimation	The used evaluation model parameters cannot be obtained directly from market information or inputs of parameters do not contain linear relation; thus, analyzed by comparing correctness, stability, rationality, efficiency of performance and other different aspects of the outcome. Then the Bank and its subsidiaries select the applicable one according to the analysis; fair value is inversely proportional to discount for liquidity discount ratios

KGI Securities and subsidiaries

The explanation of quantitative information about significant unobservable inputs in fair value measurement and sensitivity analysis significant unobservable inputs used by repetitive basis to fair value Level 3 financial asset of KGI Securities and subsidiaries were as follows:

	Fair Value at June 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
<u>Financial assets</u>					
Non-derivative instruments Financial assets at FVTPL - equity and debt instruments	\$ 3,799,758	Recent strike price Market approach	Not applicable Discount for lack of liquidity	Not applicable 26%-29%	Not applicable Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	7.29%	Assets at fair value is inversely proportional to WACC
			Growth rate	5.50%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Derivative instruments Financial assets at FVTPL Structured products - options	1,802	Martingale pricing technique	History volatility	38.90%-112.31%	According to condition of contract, fair value of liabilities may be higher or lower.
<u>Financial liabilities</u>					
Derivative instruments Financial liabilities at FVTPL Structured products - options	4,853,252	Martingale pricing technique	History volatility	0.00%-60.58%	According to condition of contract, fair value of liabilities may be higher or lower.

	Fair Value at December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
<u>Financial assets</u>					
Non-derivative instruments Financial assets at FVTPL - equity instruments	\$ 3,613,204	Recent strike price Market approach	Not applicable Discount for lack of liquidity	Not applicable 26%-29%	Not applicable Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	7.18%	Assets at fair value is inversely proportional to WACC
			Growth rate	5.50%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Derivative instruments Financial assets at FVTPL Structured products - options	310	Martingale pricing technique	History volatility	47.77%-47.77%	According to condition of contract, fair value of liabilities may be higher or lower.
<u>Financial liabilities</u>					
Derivative instruments Financial liabilities at FVTPL Structured products - options	3,086,977	Martingale pricing technique	History volatility	0.00%-16.92%	According to condition of contract, fair value of liabilities may be higher or lower.

	Fair Value at June 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	The Relationship Between Inputs and Fair Value
<u>Financial assets</u>					
Non-derivative instruments					
Financial assets at FVTPL - equity and debt instruments	\$ 3,208,430	Recent strike price Market approach	Not applicable Discount for lack of liquidity	Not applicable 26%-29%	Not applicable Assets at fair value is inversely proportional to discount for lack of liquidity.
		Discounted cash flow approach	Discount for lack of liquidity	29%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			WACC	7.53%	Assets at fair value is inversely proportional to WACC
			Growth rate	3.60%	Assets at fair value is proportional to growth rate
		Asset method	Discount for right of controlling	11%	Assets at fair value is inversely proportional to control discount.
Financial assets at FVTOCI - equity instruments	34,330	Option pricing model	Discount for lack of liquidity	26%	Assets at fair value is inversely proportional to discount for lack of liquidity.
			History volatility	44.51%	According to condition of contract, fair value of asset may be higher or lower.
		Asset method	Discount for lack of liquidity	15%	Assets at fair value is inversely proportional to discount for lack of liquidity.
Derivative instruments					
Financial assets at FVTPL	1,892	Martingale pricing technique	History volatility	30.94%-63.40%	According to condition of contract, fair value of liabilities may be higher or lower.
Structured products - options					
<u>Financial liabilities</u>					
Derivative instruments					
Financial liabilities at FVTPL	3,565,163	Martingale pricing technique	History volatility	0.00%-38.52%	According to condition of contract, fair value of liabilities may be higher or lower.
Structured products - options					

History volatility used by Martingale Pricing Technique in KGI Securities depends on moving weighted average method, and sampling period refer to maturity in initial contract; if maturity is less than 6 months, sampling period is between 20 to 180 days; if maturity is between 6 months to 12 months, sampling period is between 20 to 360 days; if maturity is more than 12 months, sampling period is between 20 to initial maturity days.

KGI Securities and subsidiaries adopts pricing model and pricing parameters cautiously, producing reasonable fair value measurement, however, different pricing model or parameters may lead to different outcome. To those financial assets and liabilities categorized into Level 3, effects of current period net income or loss affected by changes in pricing parameters were as follows:

June 30, 2024

Sensitivity Analysis of Relationship Between Inputs and Fair Value						
	Inputs	Positive/ Negative Change	Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
			Positive Impact	Negative Impact	Positive Impact	Negative Impact
<u>Financial assets</u>						
Non-derivative instruments						
Financial assets at FVTPL						
Equity and debt instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	\$ 1,764	\$ 1,763	\$ -	\$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	110	110	-	-
	WACC	-1%/+1%	1,907	1,758	-	-
	Growth rate	+1%/-1%	1,390	1,307	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,952	4,314	-	-
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	997	947	-	-
<u>Financial liabilities</u>						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	274	167	-	-

December 31, 2023

Sensitivity Analysis of Relationship Between Inputs and Fair Value						
	Inputs	Positive/ Negative Change	Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
			Positive Impact	Negative Impact	Positive Impact	Negative Impact
<u>Financial assets</u>						
Non-derivative instruments						
Financial assets at FVTPL						
Equity instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	\$ 175	\$ 175	\$ -	\$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	190	190	-	-
	WACC	-1%/+1%	3,448	3,164	-	-
	Growth rate	+1%/-1%	2,536	2,375	-	-
Equity instruments (assets approach)	Discount for right of controlling	-1%/+1%	3,688	3,688	-	-
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	118	115	-	-
<u>Financial liabilities</u>						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-

June 30, 2023

Sensitivity Analysis of Relationship Between Inputs and Fair Value						
	Inputs	Positive/ Negative Change	Recognized to Profit or Loss		Recognized to Comprehensive Profit or Loss	
			Positive Impact	Negative Impact	Positive Impact	Negative Impact
<u>Financial assets</u>						
Non-derivative instruments						
Financial assets at FVTPL						
Equity and debt instruments (counterparty/recent strike price)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Equity instruments (market approach)	Discount for lack of liquidity	-1%/+1%	\$ 579	\$ 579	\$ -	\$ -
Equity instruments (discounted cash flow approach)	Discount for lack of liquidity	-1%/+1%	109	109	-	-
Equity instruments (assets approach)	WACC	-1%/+1%	835	804	-	-
	Growth rate	+1%/-1%	375	368	-	-
	Discount for right of controlling	-1%/+1%	3,760	3,666	-	-
Financial assets at FVTOCI						
Equity instruments (option pricing model)	Discount for lack of liquidity	-1%/+1%	-	-	133	133
Equity instruments (assets approach)	History volatility	-1%/+1%	-	-	63	64
	Discount for lack of liquidity	-1%/+1%	-	-	5	5
Derivative instruments						
Financial assets at FVTPL						
Structured products - options	History volatility	+25%/-25%	420	350	-	-
<u>Financial liabilities</u>						
Derivative instruments						
Financial liabilities at FVTPL						
Structured products - options	Historical Volatility	-25%/+25%	-	-	-	-

CDIB Capital Group and subsidiaries

Quantitative information about the significant unobservable inputs is set out below:

	Fair Value at June 30, 2024	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
<u>Repetitive basic to fair value measurement items</u>					
Non-derivative financial assets Financial assets at FVTPL	\$ 21,881,706	Market approach	P/S Discount for lack of liquidity	1.43 26%	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
		Discounted cash-flow method	Discount for lack of liquidity Discount rate Growth rate	23%-29% 5.91%-12.10% 2.00%-7.75%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-	-	-

	Fair Value at December 31, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
<u>Repetitive basic to fair value measurement items</u>					
Non-derivative financial assets Financial assets at FVTPL	\$ 20,419,147	Market approach	P/S Discount for lack of liquidity	1.28 26%	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
		Discounted cash-flow method	Discount for lack of liquidity Discount rate Growth rate	23%-29% 4.98%-40.00% 2.00%-17.00%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-	-	-

	Fair Value at June 30, 2023	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	\$ 19,703,682	Market approach	P/S Discount for lack of liquidity	0.92 26%	When the higher income multiplier, the higher of fair value; when the higher the discount for lack of liquidity, the lower of fair value.
		Discounted cash-flow method	Discount for lack of liquidity Discount rate Growth rate	23%-29% 6.28%-40.00% 1.25%-17.00%	When the higher the discount for lack of liquidity, the lower of fair value; when the higher discount rate, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Discount for lack of liquidity	29%	When the higher the discount for lack of liquidity, the lower of fair value.
		Recent strike price	-		-

KGI Life Insurance

Equity securities are classified into fair value Level 3 financial asset by KGI Life Insurance. Quantitative information about the significant unobservable input was set out below:

June 30, 2024				
	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Not applicable	Not applicable	Not applicable
	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.69%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

December 31, 2023				
	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-11.45%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.31%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

June 30, 2023				
	Valuation Techniques	Significant Unobservable Inputs	Quantification Information	Relationship Between Inputs and Fair Value
<u>Financial assets</u>				
Financial assets at fair value through profit or loss	Asset approach	Discount for liquidity and minor interests	0%-10%	The higher the discount for liquidity and minor interests the lower the estimated fair value
Financial assets at fair value through other comprehensive income	Market approach	Discount for liquidity	10%-30%	The higher the discount for liquidity the lower the estimated fair value
		Control premium	0%-10%	The higher the control premium the higher the estimated fair value
	Income approach	Cost of capital rate	6.22%	The higher the cost of capital rate the lower the estimated fair value
		Discount for liquidity	0%-10%	The higher the discount for liquidity the lower the estimated fair value
	Asset approach	Discount for liquidity and minor interests	0%-30%	The higher the discount for liquidity and minor interests the lower the estimated fair value

7) Pricing process of Level 3 fair value

KGI Bank and subsidiaries

KGI Bank's risk management department is responsible for the pricing process of Level 3 fair value. The pricing models and conditions assumed conform to market practice; the basis of the theory is commonly recognized by the industry as a basis for valuation in conducting measurements of fair value. Further, the department confirms whether the sources of the information are independent or not, reasonably reflect the prices in normal circumstances and examines and adjusts fair value periodically to ensure the results of the valuation are reasonable.

KGI Securities and subsidiaries

When KGI Securities has those derivatives in which their fair value is hard to reach or they are categorized as derivative financial assets with no active market, the reasonability of the fair value of those financial assets is assessed by the related department according to the Guidelines of Asset Valuation Operation set by KGI Securities, and the outcomes of the valuation will be recorded in the book by the accounting department.

CDIB Capital Group and subsidiaries

The valuation method and parameters adopted by CDIB Capital Group and subsidiaries conform to the general market practice which the theoretical basis is generally identified by the industry. Besides, the department exams and adjusts inputs that pricing model needed periodically to insure outcomes are reasonable.

KGI Life Insurance

KGI Life Insurance is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions and the sources are independent, reliable, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. KGI Life Insurance analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed according to KGI Life Insurance's accounting policies at each reporting date.

c. Fair value of financial instruments not carried at fair value

1) Fair value information

Assets and liabilities measured at cost, excluding debt investments measured at amortized cost, guarantee deposits paid, have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

2) The fair value hierarchy of financial instruments were as follows:

June 30, 2024

	(In Thousands of New Taiwan Dollars)			
	Level I	Level 2	Level 3	Total
<u>Financial assets</u>				
Debt instruments measured at amortized cost	\$ 594,714,877	\$ 729,651,168	\$ -	\$ 1,324,366,045
<u>Non-financial assets</u>				
Guarantee deposits paid - bonds	7,863,248	5,947,725	-	13,810,973

December 31, 2023

	(In Thousands of New Taiwan Dollars)			
	Level I	Level 2	Level 3	Total
<u>Financial assets</u>				
Debt instruments measured at amortized cost	\$ 579,335,610	\$ 763,810,437	\$ -	\$ 1,343,146,047
<u>Non-financial assets</u>				
Guarantee deposits paid - bonds	110,116	6,313,909	-	6,424,025

June 30, 2023

	(In Thousands of New Taiwan Dollars)			
	Level I	Level 2	Level 3	Total
<u>Financial assets</u>				
Debt instruments measured at amortized cost	\$ 549,098,877	\$ 800,003,769	\$ -	\$ 1,349,102,646
<u>Non-financial assets</u>				
Guarantee deposits paid - bonds	6,951,749	6,280,865	-	13,232,614

3) Measurement technique

- a) The carrying amounts of financial instruments such as cash and cash equivalents, due from the Central Bank and call loans to financial instruments, securities purchased under resell agreements, receivables, other financial assets, guarantee deposits paid, due to the Central Bank and financial instruments, securities sold under repurchase agreements, payables, deposits and remittances, bonds payable, other financial liabilities and guarantee deposits received and remittances approximate their fair values because of the short maturities of these instruments.
- b) The base rate (floating rate) is usually adopted as the loan rate because it can reflect the market rate. Thus, using the carrying amount for considering the probability of repossession and estimating the fair value is reasonable.
- c) The fair value of debt investments measured at amortized cost is estimated by
 - i. Referring to the quoted price from electronic bond trading system of Taipei Exchange and Bloomberg.
 - ii. Referring to the discounted expected cash flow, of which the discount rate is referenced to interest rates with similar maturity date.

49. INFORMATION OF INSURANCE CONTRACTS

a. Objectives, policies, procedures and methods of insurance contracts risk management

1) Framework of risk management, organization structure and responsibilities:

The board of directors should ensure the effectiveness of risk management and bear the ultimate responsibility for risk management, responsible for formulating KGI Life Insurance's overall risk appetite and risk tolerance, review and approve KGI Life Insurance's risk management objectives and strategies. "Risk Management Committee" is set under the board of directors. Various risk management report and related issues are first report to risk management committee and made the final approval by the board of directors. Besides the risk management committee, KGI Life Insurance set up an assets and liabilities risk management team to strengthen the risk management organization and structure.

In addition, KGI Life Insurance establishes the risk management department independent to the business units, which is responsible for the implementation of various risk management measures and the fulfillment of each risk management system, including monitoring the daily risks, measuring and evaluating related issues, assisting the board to develop Company's risk appetite, executing the risk management policies approved by the board of directors. Moreover, the business units should be responsible for the risks identification, report the risk exposure, measure the impact of risks, review the various risks and limits regularly, and make sure that the internal control procedures of each unit are implemented effectively in accordance with related regulations and KGI Life Insurance's risk management policy.

2) Risk management policies, procedures and methods:

According to risk management policies, KGI Life Insurance sets an effective mechanism to proceed identification, measurement, monitoring, reporting and response to risk, establishes clear objectives for risk management, controls approaches and attribution of responsibility to make sure that each operational risk is controlled under the tolerable range, making the largest surplus and profits for shareholders. KGI Life Insurance follows the principle of centralized management and specialization and assigns responsible risk management department to manage various risks. In addition, KGI Life Insurance develops management guidelines for various types of risk, standardizes measurement and evaluation methods, and regularly issues risk reports to monitor the various risks.

3) Risk management policies, procedures and methods related to reserves:

Reserve-related risks refer to risks that various reserves are unable to deal with future obligations due to understatement of liability for premium business. KGI Life Insurance sets and implements the appropriate risk management system for the insurance business reserves and related risks.

4) Risk management policies, procedures and methods related to matching assets and liabilities:

Risks related to matching assets and liabilities indicate risks arising from inconsistent movement of assets and liabilities. KGI Life Insurance sets appropriate asset-liability management system based on the attributes and complexity of insurance liability risks. The system allows KGI Life Insurance to form, implement, monitor and correct related strategies within the tolerable range and achieves KGI Life Insurance's predetermined financial goals. The contents include the following items:

- a) Risk identification related to matching of assets and liabilities.
- b) Risk measurement related to matching of assets and liabilities.
- c) Risk responses related to matching of assets and liabilities.

b. Information of insurance risks

1) Sensitivity of insurance risks - insurance contracts and financial instruments with discretionary participation features:

Insurance companies set aside various reserves according to the legal requirements and regularly conduct adequacy test of liability to assess the adequacy of insurance liabilities of KGI Life Insurance as a whole.

For the insurance contracts and financial instruments with discretionary participation features underwritten by KGI Life Insurance, the main risks include mortality/morbidity, surrender, expense and investment returns rate. When doing the liability adequacy test, various actuarial assumptions are made based on available information at assessment point for all insurance contracts and financial instruments with discretionary participation feature, to assess whether the insurance liability of KGI Life Insurance is adequate. If the test result indicates the insurance liability is not adequate, then set aside the insufficient amount as liability adequacy reserve according to the provision. The reserve will affect current profit and loss.

As of June 30, 2024, assuming a 5% change in mortality/morbidity, surrender and expenses, and a decrease in investment return of 0.1%, all insurance contracts and financial instruments with discretionary participation feature will not cause KGI Life Insurance's insurance liability inadequate.

2) Interpretation for concentration of insurance risks:

- a) KGI Life Insurance's insurance business is mainly in Taiwan, Republic of China and there is no significant difference in insurance risk between each region. KGI Life Insurance had set tolerable cumulative risk limits for each risk unit and incident. Insurance risks that exceed the limits will be transferred through reinsurance. Refer to Note 31 for concentration of risk before and after the reinsurance for KGI Life Insurance.
- b) Furthermore, according to "Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises", the annual increased special capital reserve, excluding taxes, for major incidents and fluctuation of risks for abnormal changes in loss ratio and claims of each type of insurance needs to be recognized in special capital reserve under equity in accordance with IAS 12.

3) Claim development trend:

a) Direct business loss development trend

Accident Year	Development Year																	Reserve for Claims	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
2008	\$ 2,170,100	\$ 2,736,556	\$ 2,776,542	\$ 2,781,989	\$ 2,786,399	\$ 2,792,187	\$ 2,798,032	\$ 2,798,807	\$ 2,799,546	\$ 2,800,435	\$ 2,802,449	\$ 2,803,020	\$ 2,803,856	\$ 2,804,061	\$ 2,805,453	\$ 2,805,535	\$ 2,805,897		
2009	2,243,111	2,870,648	2,924,110	2,934,461	2,936,046	2,939,451	2,940,095	2,940,209	2,940,748	2,941,322	2,941,824	2,941,957	2,941,970	2,942,857	2,942,909	2,944,093	-		
2010	2,574,879	3,071,401	3,132,443	3,137,874	3,143,299	3,143,963	3,144,299	3,144,902	3,145,167	3,145,541	3,145,762	3,146,132	3,146,191	3,146,199	3,146,230	-	-		
2011	2,610,108	3,276,928	3,328,279	3,342,075	3,346,106	3,350,438	3,351,824	3,354,243	3,354,835	3,355,901	3,356,774	3,357,014	3,357,047	3,357,165	-	-	-		
2012	2,345,575	2,953,776	3,029,335	3,045,381	3,048,828	3,051,256	3,054,748	3,056,337	3,057,879	3,058,682	3,059,236	3,059,611	3,059,625	-	-	-	-		
2013	2,267,213	2,964,954	3,028,400	3,040,442	3,045,355	3,053,040	3,054,855	3,055,997	3,057,193	3,058,524	3,059,470	3,059,569	-	-	-	-	-		
2014	3,448,229	4,203,186	4,284,682	4,298,217	4,303,753	4,317,090	4,321,020	4,323,776	4,325,954	4,328,274	4,330,236	-	-	-	-	-	-		
2015	3,530,488	4,420,482	4,498,438	4,510,113	4,516,573	4,518,832	4,521,127	4,521,956	4,523,231	4,524,371	-	-	-	-	-	-	-		
2016	3,721,820	4,648,280	4,743,133	4,757,525	4,763,372	4,765,519	4,769,820	4,772,620	4,773,596	-	-	-	-	-	-	-	-		
2017	4,320,234	5,400,952	5,537,543	5,552,592	5,557,933	5,563,170	5,565,627	5,567,075	-	-	-	-	-	-	-	-	-		
2018	4,775,948	5,950,536	6,060,673	6,078,878	6,086,102	6,095,198	6,097,022	-	-	-	-	-	-	-	-	-	-		
2019	5,257,484	6,776,954	6,904,733	6,935,395	6,946,476	6,951,051	-	-	-	-	-	-	-	-	-	-	-		
2020	5,208,589	6,557,028	6,720,337	6,751,342	6,759,981	-	-	-	-	-	-	-	-	-	-	-	-		
2021	5,729,794	7,330,220	7,532,048	7,554,223	-	-	-	-	-	-	-	-	-	-	-	-	-		
2022	8,258,280	10,368,910	10,540,201	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2023	7,970,387	9,855,743	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2024	3,358,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
																		\$ 3,585,340	
Note: This table does not include long-term life insurance.																			
																		Add: Long-term insurance claims	476,429
																		Claim reserve for discount on no claim	<u>92,357</u>
																		Reserve for claims balance	<u>\$ 4,154,126</u>

b) Retained business loss development trend

Accident Year	Development Year																	Reserve for Claims	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17		
2008	\$ 2,128,556	\$ 2,682,784	\$ 2,721,905	\$ 2,719,002	\$ 2,723,312	\$ 2,728,970	\$ 2,734,682	\$ 2,735,440	\$ 2,736,162	\$ 2,737,031	\$ 2,739,000	\$ 2,739,557	\$ 2,740,394	\$ 2,740,598	\$ 2,741,991	\$ 2,742,073	\$ 2,742,434		
2009	2,204,858	2,820,114	2,862,350	2,868,022	2,869,572	2,872,900	2,873,529	2,873,640	2,874,167	2,874,728	2,875,219	2,875,351	2,875,365	2,876,252	2,876,304	2,877,488	-		
2010	2,535,358	3,010,157	3,068,543	3,066,830	3,072,133	3,072,782	3,073,109	3,073,699	3,073,958	3,074,324	3,074,544	3,074,914	3,074,973	3,074,981	3,075,012	-	-		
2011	2,561,841	3,214,455	3,260,383	3,266,408	3,270,348	3,274,581	3,275,936	3,278,301	3,278,879	3,279,945	3,280,818	3,281,058	3,281,091	3,281,209	-	-	-		
2012	2,304,504	2,897,464	2,967,538	2,976,431	2,979,800	2,982,173	2,985,586	2,987,140	2,988,681	2,989,484	2,990,038	2,990,414	2,990,427	-	-	-	-		
2013	2,227,515	2,908,429	2,966,622	2,971,604	2,976,405	2,983,916	2,985,691	2,986,833	2,988,029	2,989,360	2,990,306	2,990,405	-	-	-	-	-		
2014	3,387,852	4,123,055	4,197,276	4,200,902	4,206,313	4,219,348	4,223,278	4,226,033	4,228,211	4,230,531	4,232,493	-	-	-	-	-	-		
2015	3,468,881	4,336,525	4,407,051	4,408,435	4,414,314	4,416,573	4,418,868	4,419,697	4,420,972	4,422,112	-	-	-	-	-	-	-		
2016	3,657,093	4,560,257	4,647,033	4,649,868	4,655,715	4,657,862	4,662,163	4,664,810	4,665,785	-	-	-	-	-	-	-	-		
2017	4,244,930	5,298,470	5,424,716	5,439,766	5,445,107	5,450,344	5,452,800	5,454,249	-	-	-	-	-	-	-	-	-		
2018	4,692,869	5,837,265	5,946,601	5,964,806	5,972,030	5,981,126	5,982,950	-	-	-	-	-	-	-	-	-	-		
2019	5,165,606	6,658,675	6,786,454	6,817,116	6,828,197	6,832,771	-	-	-	-	-	-	-	-	-	-	-		
2020	5,136,641	6,454,169	6,616,159	6,647,164	6,655,803	-	-	-	-	-	-	-	-	-	-	-	-		
2021	5,640,880	7,192,041	7,393,867	7,416,042	-	-	-	-	-	-	-	-	-	-	-	-	-		
2022	8,190,602	10,249,283	10,417,097	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2023	7,845,303	9,712,711	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
2024	3,326,174	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
																		\$ 3,562,557	
Note: This table does not include long-term life insurance.																			
																		Add: Long-term insurance claims	450,419
																		Claim reserve for discount on no claim	<u>92,357</u>
																		Reserve for claims balance	<u>\$ 4,105,333</u>

KGI Life Insurance recognizes claim reserve for reported claims (reported but not paid) and unreported claims (incurred but not reported). Due to uncertainty, estimation, and judgment involved in recognition, there is a high degree of complexity in claim reserves. Any changes of the estimation or judgment are treated as the changes of the accounting estimates and can be recognized as profit and loss in current year. KGI Life Insurance was not notified of some claims in time. Also, the expected payment for unreported claims involves major subjective judgment and estimation on the past experience. Thus, it is uncertain that the estimated claim reserve on the balance sheet date will be equal to the final settled amount of claim payments. The claim reserve recorded on the book is estimated based on the current available information. However, the final amount probably will differ from the original estimates because of the follow-up development of the claim events.

The charts above show the development trend of claim payments (not including cases whose payment and time will be confirmed within a year). The accident year is the actual year for the occurrence of the insurance claim events; the x-axis is the year of the development for the settlement cases. Each slash represents the cumulative amount of compensation for each accident event at the end of the year. The occurred claims include decided and undecided claims which represent the accumulated estimated dollar amounts need to be paid for each accident year as time passes. It is possible that the circumstances and trends affecting dollar amount of recognition for claim reserve in the current year will be different from those in the future. Thus, the expected future payment amount for the settlement cases cannot be determined by the charts above.

4) Credit risk:

For insurance contracts undertaken by KGI Life Insurance, the credit risk comes from reinsurers who fail to fulfill their obligation of reinsurance contracts, causing KGI Life Insurance to be exposed to the risk of financial loss. If KGI Life Insurance disputes with the reinsurers, then it may lead to impairment of reinsurance assets. In addition, the account receivables of insurance brokers and agents also have credit risk.

KGI Life Insurance's highest risk exposure for the reinsurance contracts is the carrying amount of reinsurance assets. In order to manage that risk and avoid credit losses, KGI Life Insurance decides to deal with reinsurance companies that have good credits. KGI Life Insurance sets related selection standard, makes regular assessment and monitors the reinsurers' financial business condition, credit status and rating. Also, it will adjust the business scope and scale based on the circumstances to prevent from over concentration of credit risk.

5) Liquidity risk:

As at June 30, 2024, December 31, 2023 and June 30, 2023, the maturity analysis of liquidity risk for insurance contract liabilities of KGI Life Insurance are as follow:

	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
<u>June 30, 2024</u>					
Insurance liabilities of investment contracts with discretionary participation features	\$ 19,487,324	\$ 67,638,668	\$ 110,514,615	\$ 642,894,383	\$ 4,605,480,885
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-

(Continued)

	Within 1 Year	1 to 3 Years	3 to 5 Years	5 to 15 Years	Over 15 Years
<u>December 31, 2023</u>					
Insurance liabilities of investment contracts with discretionary participation features	\$ 30,139,007	\$ 85,667,869	\$ 113,631,199	\$ 649,337,923	\$ 4,129,317,824
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
<u>June 30, 2023</u>					
Insurance liabilities of investment contracts with discretionary participation features	35,714,420	97,705,279	112,590,371	650,526,255	4,154,738,442
Reserve for insurance contracts with feature of financial instruments	-	-	-	-	-
					(Concluded)

Note 1: This table estimates net cash flow of all related insurance liabilities at its starting point.

Note 2: The actual maturity date will change according to the exercise of termination right by the policyholders.

Note 3: The table cannot match with the liabilities of balance sheet because the above contracts use the undiscounted contractual cash flow analysis. In addition, it includes the cash inflows of future renewal premiums.

6) Market risk:

Pursuant to the “Regulations Governing the Setting Aside of Various Reserves by Insurance Enterprises”, when KGI Life Insurance measures insurance liabilities, it sets aside the reserve by using the discount rate required by the authorities. Since the discount rate assumption does not move in the same direction with the interest rate, changes in market risks have no significant influence on KGI Life Insurance’s profit or loss and equity for insurance contracts. However, changes in market risks may have influence on liability adequacy test evaluated based on available information. However, it has little influence on the adequacy of current recognized insurance liabilities.

50. FINANCIAL RISK MANAGEMENT

a. Risk management policies and framework

The Company

The Company has established its risk management policies, which combine 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. The board of directors has approved the documentation of both overall and specific risk management policies, including business, operational and liquidity risks.

The Company has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. The Company also has a risk management department to plan and manage the risk management system, supervise the implementation of risk management of subsidiaries and provide related information to the senior management and the board of directors.

KGI Bank and subsidiaries

KGI Bank has planned a proper risk management system regarding market risk, credit risk, and operating risk related to the operation of company as a basis of following risk management procedures.

KGI Bank also planned the mechanism of analysis, monitoring, and report related to overall risk management. Further, it reports to the senior management, and the committee or the board of directors with risk management function; KGI Bank keeps related information updated in response to the actual risks encountering significant changes in macroeconomics or financial market to monitor and response effectively.

KGI Bank's risk management not only focuses on individual department but consider the comprehensive effects from an overall corporation perspective.

KGI Bank undertakes risk identification with consistent asset portfolio classification as well as correlation between each other and establishes a consistent measure according to the different types of exposure.

KGI Bank's risk management divisions are as follows:

1) Board of directors

The KGI Bank's board of director supervise the establishment of risk management structure and culture, ensures efficiency of operation in risk management, reviews important risk control report and bear the ultimate responsibility of risk management.

2) Risk management committee

KGI Bank has established a risk management committee supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues.

3) Business and management departments

The department is responsible for ensuring compliance of risk management regulations while conducting the operations to practice the control of daily risk.

4) Risk management department

KGI Bank establishes a risk management department which is independent from operating departments to take charge of planning and managing of risk management system and to provide overall risk management information to the senior management and the board of directors.

5) Internal audit department

The department takes charge of establishment of all risk mechanisms and audit the compliance and implementation of mechanism.

Risk management is a joint duty to all KGI Bank's department including business, legal, compliance of law, finance, accounting, administration, operating, audit departments and so on, should all practice it actively, and through coordination of intra-departments to carry out the overall risk management.

KGI Securities and subsidiaries

1) Financial risk management objectives

To effectively manage the risks related to the operation of KGI Securities and strengthen KGI Securities Competitive advantage, according to the laws by authorities, risk management policy by parent company, and business development strategy by KGI Securities, which set risk management policy as compliance basis for risk management.

2) Risk management organization

KGI Securities' risk management organization framework, which monitors, plans, and executes related risk management affairs, includes the board of directors, risk management department, business department and other related departments. KGI Securities' business departments and back offices should comply with risk management regulations and reports all anomalies and their effects to Risk Management Committee (RMC) and Investment Review Committee (IRC) in time. Risk management organization's functions and responsibilities are as follows:

The board of directors is the highest decisive department in KGI Securities, and it also bears ultimate responsibility while monitoring the execution of overall risk management system.

Functions and responsibilities of committees: RMC executes risk management decisions made by the board of directors, which include reviewing KGI Securities' every department's risk appetite, risk-based limit and their management system, reviewing guidelines regarding risk management, and inspecting related countermeasures according to risk reports submitted by departments; IRC examines underwriting of securities, assisting of business projects and general long-term investments; and Merchandise Review Committee (MRC) sets up the reviewing system of KGI Securities' for sale of commodities, trusted investment and management of new business and financial instruments.

Business department is responsible for setting risk management systems, managing and reporting daily risks which belong to its department and executing internal controls effectively which correspond to the government regulations and risk management policies.

Risk management department's functions and responsibilities are ensuring the execution of policies approved by the board of directors, making risk management rules and guidelines, controlling the measuring, monitoring and evaluating of daily risk, producing periodic (daily, weekly or monthly) risk management reports and submitting them to management, and developing or assisting the exploitation and maintenance of risk management information system.

Legal affair department's functions and responsibilities are providing comprehensive management of KGI Securities company law, legal consultations, drafting, reviewing and taking custody of major contracts and monitoring litigation and non-litigation cases.

Legal compliance department's functions and responsibilities are conveying laws, providing legal consultation, negotiating and facilitating communications. It is also responsible to make sure that all operations and management guidelines are updated accordingly as related regulations are amended. It also supervises as all units conduct an overview of the feasibility of legal compliance.

Fund dispatching department is responsible for KGI Securities' dispatching and usage of capital, setting up and maintaining finance credits with financial institution, lowering capital costs and managing liquidity risks.

Internal audit department's function and responsibilities are regularly review the execution of relevant regulations and business operations, proposing amendments in time, and tracing improving progresses after reporting defects and anomalies to the board of directors.

Finance department, settlement department, information department and other related department should understand the risk facing in its industry thoroughly on the basis of risk management related regulations, take necessary risk control measures into consideration while setting up operating management guidelines to assist in completing the whole cooperation's various risk management tasks, and monitor transaction processes regarding valuation, confirmation of price information, preparation of income statement, processing and confirming of transaction, settling, verifying of accounts, asset control, information safety and maintenance of information.

3) Risk management system

KGI Securities has planned proper risk management system regarding market risk, credit risk, operating risk, liquidity risk, legal risk and other risks related to the operation of company as a basis of following risk management procedures.

The risk management policies, various risk management standards and operation of merchandise guidelines are established by competent unit. The competent unit makes a draft and asks the related department for advices and opinions, and it will be conducted following established guidelines and related standards of parent company.

4) Risk management mechanism

The process of various risk managements of KGI Securities include risk identification, risk measurement, risk monitoring and management and risk reports. The evaluation and measurement of important risk are explained as follows:

a) Market risk

KGI Securities restricts the risk level to which it is exposed to an acceptable level through structuring risk management system, enacting market risk management policies, and formulating merchandise operation guidelines. It also restraint risk through allocating venture capital, subject to management strategies and risk appetite, setting various risk-based limits, and conducting risk monitoring on a daily basis.

KGI Securities implemented the MSCI Risk Manager, a market risk management system, as a quantitative management instrument. The system integrates all holding positions and provides in a daily basis various analyzing metrics and comprehensive computation results, including equity risk, interest rate risk, exchange rate risk, etc., as well as adjustment and application of diverse derivatives models. Also, the risk management department controls risk-based limits by business units on a daily basis to enforce and manage market risky capital allocation.

To establish efficacy of estimation at risk (VaR) model, risk management department conducts Back Testing periodically to examine the validity of the model. Additionally, it builds various scenarios for Stress Testing and scenario analysis, to understand the risk tolerance level of KGI Securities.

b) Credit risk

KGI Securities takes into account the credit rating of issuers or counterparties, the features of transactions, and the characters of instruments, etc. to adopt appropriate ways of measurement, and considers KGI Securities' net value, risk measurement and concentration of risk to set proper credit limits. KGI Securities would periodically inspect the credit records of counterparties, holding positions, and collaterals, then report the use of various credit risk limits to management as well as related departments.

KGI Securities use the external part of credit rating by rating comparison table to evaluate the credit risk of the counterparties or transaction subjects. Among them, the external part of credit rating refers to the TCRI of Taiwan Economic Journal, Taiwan Ratings, S&P, Moody's, and Fitch. Not only update the credit rating information of the external rating agency on the counterparties or transaction subjects, but also appropriately adjust the credit risk limits when the credit rating changes.

The risk management department applies for credit risk capital toward the board of directors annually. Establish proper credit risk expected loss limitation amount relating to the firms. Also, set different Pre-Settlement Risk (PSR) limitation amount base on countries, same groups, high-risk industries, high-risk groups, etc. Also, routinely examine KGI Securities' credit risk exposure, credit risk change of counterparties or transaction subjects, and the use of various credit risk limitation amount to enforce management of credit risk.

c) Liquidity risk

The liquidity risk could be divided into two categories: Market liquidity risk and fund liquidity risk. The measurement of market liquidity risk is the trading volume of holding position of KGI Securities and serves as the basis of information disclosure. The fund liquidity risk management has established independent fund transfer unit, considering the timing and net cash flow of need by various departments, to effectively control the fund liquidity risk.

d) Operating risk and other risks

All units conduct operation risk management respectively by their own business. This management contains authorization related to operation risk, process, operation content, plan following the division of front and back desk operation and principle of control and segregation of duties. Operation risk controls include information security and maintenance, clearing, trade confirmation, statements preparation, segregation of duties, relating party trade control as well as the internal control, etc.

Each business unit is responsible for examining and controlling its own operation risk. In addition to the compliance of law and regulation, the internal audit department would implement examination by the regulation and procedure of internal control system to ensure the effectiveness of risk management.

When abnormal events occur, all business units should comply with "Announcement of Abnormal Events and Handling Procedures" by KGI Securities. According to the necessity of the abnormal event, the internal audit unit reports to the director of the board of directors and the internal audit unit of the parent company to effectively manage the operation risk of loss event. When KGI Securities discover material risk events during the execution of their business, they should comply with "Method for Notification of Material Risk Events" by parent company and "Announcement of Abnormal Events and Handling Procedures" by KGI Securities. In addition, risk management unit should review whether material risk events are notified in time.

KGI Securities have obtained the related qualification for the option under the sensitivity analysis (Delta Plus) method to use the advanced calculation method of Securities firm's capital adequacy ratio. In order to calculate the capital adequacy ratio and other statutory ratios required for financial product evaluation models, model management operations have been used.

KGI Securities regularly detects business risks. The detections include financial institutions' capital adequacy, asset quality, management capabilities, profitability, liquidity, sources of profit, foreign exposure, investment positions, off-balance sheet, and material customer complaints. Measurement unit inspects frequency and measures detection indicators and alert values and sends the measurement results and their increase or decrease data to the risk management unit for monitoring and storage.

5) Risk hedge and mitigation strategy

KGI Securities have set "Financial Commodity Transaction Processing Procedures" and "Operation Guidelines for Derivative Financial Commodity Transactions in Business Locations" to standardize relevant policies for hedging and mitigating risks:

- a) All business departments engaged in derivative transactions should confirm their transaction objectives and hedging nature in advance. After the transaction, the transaction objective cannot be changed at will.
- b) The transaction nature means buying and selling derivatives based on price expectations to take risks and earn the spread. Hedging means to reduce the market risk of existing assets or liabilities and prospective transactions through the trading derivatives.
- c) For positions held for hedging, the hedging and hedged positions should be regarded as one entity and notice to the relation between the changes in profit and loss of the hedging and the hedged positions.

CDIB Capital Group and subsidiaries

CDIB Capital Group has established its risk management policies, which combine 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. The board of directors has approved the documentation of both overall and specific risk management policies.

CDIB Capital Group has established the risk management committee, which belongs to the board of directors and is responsible for supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. CDIB Capital Group also has established a business risk committee and a risk management department, which belongs to administration department, to plan and manage the risk management system and provide related information to the senior management and the board of directors.

KGI Life Insurance

KGI Life Insurance's financial risk management objectives are primarily managing risks arising from holding financial assets. According to KGI Life Insurance's risk management policies, the main financial risks is market risk, credit risk and liquidity risk. KGI Life Insurance has established guidelines related to the management for the aforementioned financial risk, regulating the measurement and evaluation methods.

b. Credit risk

KGI Bank and subsidiaries

1) Definition and source of credit risk

Credit risk is the risk of financial loss to KGI Bank if a creditor, debtor or counterparty fails to meet its contractual obligations or has negative changes in its credit quality. Credit risk management covers all operating activities that involve credit risk, including credit business, call loans to banks, banking book securities investment, financial derivatives, repurchase agreement transactions and other operating activities.

2) Credit risk management policy

KGI Bank has standard control procedures for credit risk identification, measurement, and generation of disclosures and reports to be used for a rational identification, measurement, effective control and reporting of credit risk. These procedures include applying standard screening criteria for target clients, credit investigations for credit approval or rejection, careful deliberation of applications for certain exceptions, credit review, management of non-performing loans and requests, and control over all related documents and information. KGI Bank also adjusts the credit risk structure accordingly so that credit portfolios are within KGI Bank's risk appetite. Further, KGI Bank assesses the changes in the economy to adjust risk structure and develops strategies in response to these changes to raise shareholders' value and ensure the risk is bearable.

Based on the risk management policies, the management process is carried out as follows:

a) Credit investigation

In screening target clients, KGI Bank asks for all the necessary documents from the clients in order to get an accurate understanding of their backgrounds and control credit portfolios within the acceptable range.

b) Credit approval

Cases that have passed the credit investigation are reviewed by the credit authority of each level. The credit authorities approve credits in accordance with KGI Bank's credit limit structure and authorization policies.

KGI Bank's credit approval structure and policies are based not only on the Banking Act and other government rules for credit extended to the same person or affiliated enterprises/groups, industry, mortgage loans, investments in marketable securities and country, but also on the professionalism of KGI Bank's credit authorities and the quality of asset control. The amounts of credit authorized are reviewed by the credit authorities occasionally.

c) Post-lending loan review

The corporate banking segment of KGI Bank tracks the borrowers' financial and business conditions, generates risk assessment reports on credit asset portfolios regularly, operates a risk warning system and adjusts business development strategies as needed to cope with economic conditions and changes in asset quality through the use of an account management scheme and a regular-reassessment system. For consumer banking business, they track and control the changes in asset quality through the use of regular-assessment system, and handle the changes in borrowers' credit quality instantly through the use of regular-reassessment system. For delinquent loans, the Bank uses the concentration management method, together with information systems and analysis models, to enhance and expedite the collection of non-performing loans.

d) Risk report and information disclosures

The risk management department is responsible for measuring risk, preparing quarterly risk report, including all risk management index and risk capital requirement assessment and reporting to risk management committee and board of directors.

3) Credit risk hedge or mitigation policies

Considering the asset hedge market and liquidity, KGI Bank takes the necessary risk reduction strategies, mainly on credit objects and hedge transactions involving assets with doubtful collectability or a long period of duration, including methods for increasing appropriate collateral with good liquidity, or transferring to credit guarantee institutions such as the Small and Medium Enterprise Credit Guarantee Fund of Taiwan to maximize the collateral. For determining the value of foreclosed collateral, liquid securities will be evaluated at their market value; other collateral will be subject to field surveys by appraisal institution for their fair value assessment, which will be used as a basis for demanding additional collateral or adjusting the credit amount to ensure that risks are within KGI Bank's tolerance range.

If clients are found to have bad credit features, KGI Bank will strengthen the monitoring of the credit of borrower and guarantor and take measures, such as demanding an early repayment or additional collateral in mitigating KGI Bank's credit risk. In addition, KGI Bank sets different credit limits for counterparties involved in derivative transactions and enters into collateral support agreements with counterparties to ensure that risks are under control.

4) Maximum exposure to credit risk

The maximum exposure to credit risk from on-balance sheet financial assets was equal to their carrying values; without taking into collateral or other credit enhancements and unused revolving credit without credit card and cash card, the maximum exposure of credit risk from irrevocable off-balance sheet financial instruments was as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Irrevocable loan commitments, guarantees and letters of credit	\$ 49,909,973	\$ 43,737,382	\$ 49,769,301

KGI Bank believes that stringent selection processes and conducting regular review afterwards are the reasons why they can continuously control and minimize the credit risk exposure from their off-balance sheet items.

KGI Bank and its subsidiaries' carrying amount of maximum exposure credit risk for major credit assets were as follows:

Discounts and Loans						
June 30, 2024						
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Short-term loans	\$ 61,497,773	\$ 631,757	\$ 682,792	\$ -		\$ 62,812,322
Short-term secured loans	14,067,601	-	-	-		14,067,601
Medium-term loans	167,389,270	221,206	229,222	-		167,839,698
Medium-term secured loans	83,302,864	278,962	39,913	-		83,621,739
Long-term loans	11,944,731	607,561	979,330	-		13,531,622
Long-term secured loans	102,768,554	242,330	123,399	-		103,134,283
Loans reclassified to nonperforming loans	-	-	1,047,753	-		1,047,753
Export negotiations	21,990	-	-	-		21,990
Total book values	440,992,783	1,981,816	3,102,409	-		446,077,008
Impairment allowance	(901,015)	(264,191)	(833,202)	-		(1,998,408)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					\$ (3,829,370)	(3,829,370)
Adjusting for discounts and loans premium					(64,693)	(64,693)
	<u>\$ 440,091,768</u>	<u>\$ 1,717,625</u>	<u>\$ 2,269,207</u>	<u>\$ -</u>	<u>\$ (3,894,063)</u>	<u>\$ 440,184,537</u>

Receivables						
June 30, 2024						
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Credit card business	\$ 3,584,783	\$ 197,041	\$ 147,930	\$ -		\$ 3,929,754
Accounts receivable - forfaiting	1,689,185	-	-	-		1,689,185
Accounts receivable factoring without recourse	8,604,305	2	20	-		8,604,327
Acceptances	172,466	-	-	-		172,466
Installment accounts and lease receivables	5,076,375	88,173	98,822	-		5,263,370
Total book values	19,127,114	285,216	246,772	-		19,659,102
Impairment allowance	(56,745)	(28,901)	(66,211)	-		(151,857)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					\$ (149,585)	(149,585)
	<u>\$ 19,070,369</u>	<u>\$ 256,315</u>	<u>\$ 180,561</u>	<u>\$ -</u>	<u>\$ (149,585)</u>	<u>\$ 19,357,660</u>

Discounts and Loans						
December 31, 2023						
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Short-term loans	\$ 46,320,134	\$ 594,896	\$ 681,759	\$ -		\$ 47,596,789
Short-term secured loans	13,923,022	273	-	-		13,923,295
Medium-term loans	152,121,832	160,635	242,629	-		152,525,096
Medium-term secured loans	82,043,284	309,349	21,622	-		82,374,255
Long-term loans	7,592,441	525,924	844,689	-		8,963,054
Long-term secured loans	95,437,396	174,740	162,833	-		95,774,969
Loans reclassified to nonperforming loans	-	-	974,615	-		974,615
Export negotiations	5,449	-	-	-		5,449
Total book values	397,443,558	1,765,817	2,928,147	-		402,137,522
Impairment allowance	(789,010)	(168,283)	(791,094)	-		(1,748,387)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					\$ (3,406,787)	(3,406,787)
Adjusting for discounts and loans premium					(55,911)	(55,911)
	<u>\$ 396,654,548</u>	<u>\$ 1,597,534</u>	<u>\$ 2,137,053</u>	<u>\$ -</u>	<u>\$ (3,462,698)</u>	<u>\$ 396,926,437</u>

Receivables						
December 31, 2023						
	Stage 1	Stage 2	Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual loans	Total
	12-month Expected Credit Losses	Lifetime Expected Credit Losses	Lifetime Expected Credit Losses	Purchased or Originated Credit-impaired Financial Asset		
Credit card business	\$ 3,195,165	\$ 196,868	\$ 130,508	\$ -		\$ 3,522,541
Accounts receivable - forfaiting	1,617,130	-	-	-		1,617,130
Accounts receivable factoring without recourse	10,262,973	4	25	-		10,263,002
Acceptances	8,292	-	-	-		8,292
Installment accounts and lease receivables	5,654,277	71,889	101,064	-		5,827,230
Total book values	20,737,837	268,761	231,597	-		21,238,195
Impairment allowance	(48,865)	(27,236)	(59,820)	-		(135,921)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans					\$ (168,961)	(168,961)
	<u>\$ 20,688,972</u>	<u>\$ 241,525</u>	<u>\$ 171,777</u>	<u>\$ -</u>	<u>\$ (168,961)</u>	<u>\$ 20,933,313</u>

Discounts and Loans					
June 30, 2023					
	Stage 1		Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with
	12-month	Stage 2		Purchased or	
	Expected Credit	Lifetime Expected	Lifetime Expected	Credit-impaired	Non-performing/
	Losses	Credit Losses	Credit Losses	Financial Asset	Non-accrual loans
					Total
Short-term loans	\$ 45,014,169	\$ 622,790	\$ 645,252	\$ -	\$ 46,282,211
Short-term secured loans	14,970,354	-	21,000	-	14,991,354
Medium-term loans	148,302,885	328,615	302,331	-	148,933,831
Medium-term secured loans	85,640,701	452,118	19,190	-	86,112,009
Long-term loans	7,292,114	518,884	787,713	-	8,598,711
Long-term secured loans	90,365,025	165,936	107,671	-	90,638,632
Loans reclassified to nonperforming loans	-	-	480,906	-	480,906
Export negotiations	16,290	-	-	-	16,290
Total book values	391,601,538	2,088,343	2,364,063	-	396,053,944
Impairment allowance	(764,584)	(352,846)	(574,888)	-	(1,692,318)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					\$ (3,460,460)
Adjusting for discounts and loans premium					(53,637)
	\$ 390,836,954	\$ 1,735,497	\$ 1,789,175	\$ -	\$ (3,514,097)
					\$ 390,847,529

Receivables						
June 30, 2023						
	Stage 1		Stage 3		The Additional Impairment Loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with	
	12-month	Stage 2		Purchased or	Non-performing/	Total
	Expected Credit	Lifetime Expected	Lifetime Expected	Originated	Non-accrual loans	
	Losses	Credit Losses	Credit Losses	Credit-impaired		
				Financial Asset		
Credit card business	\$ 3,273,679	\$ 198,480	\$ 114,741	\$ -		\$ 3,586,900
Accounts receivable - forfaiting	3,858,994	-	-	-		3,858,994
Accounts receivable factoring without recourse	8,216,292	6	38	-		8,216,336
Acceptances	11,164	-	-	-		11,164
Installment accounts and lease receivables	5,974,335	104,036	34,329	-		6,112,700
Total book values	21,334,464	302,522	149,108	-		21,786,094
Impairment allowance	(58,584)	(30,000)	(33,965)	-		(122,549)
The additional impairment loss under the Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/ Non-accrual Loans					\$ (159,486)	(159,486)
	\$ 21,275,880	\$ 272,522	\$ 115,143	\$ -	\$ (159,486)	\$ 21,504,059

Maximum exposures to credit risk of financial instrument not applicable to impairment were as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Financial assets at FVTPL			
Debt instruments	\$ 14,512,835	\$ 12,554,980	\$ 15,475,288
Derivatives	29,600,508	29,413,254	27,956,330

5) Collaterals and other credit enhancement

KGI Bank and its subsidiaries' pledged collaterals associated with credit include discounts, loans and receivables which contain real estate, properties (e.g.: Machinery), rights certificates and securities (e.g.: Certificates of deposit and stocks), notes receivable arose from borrowing of business transactions, deposits guaranteed by authorities of treasury department of government, banks or guarantee institutions authorized by government (e.g.: SME credit guarantee fund and letter of credit guaranteed) and mortgages set in accordance with the laws including registration of land rights. Financial assets held by KGI Bank are part of corporate bonds guaranteed by financial institutions as credit enhancement.

KGI Bank and subsidiaries observe collateral's value of financial instrument closely and consider recognizing impairment for financial assets with credit impairment. KGI Bank and subsidiaries' financial assets with impairment, and collateral's values for mitigation of potential losses were as follows:

June 30, 2024

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	\$ 147,930	\$ 43,897	\$ 104,033	\$ -
Accounts receivable factoring	20	1	19	-
Installment receivables and lease receivables	98,822	22,313	76,509	-
Discounts and loans	<u>3,102,409</u>	<u>833,202</u>	<u>2,269,207</u>	<u>592,595</u>
Total amount of impaired financial asset	<u>\$ 3,349,181</u>	<u>\$ 899,413</u>	<u>\$ 2,449,768</u>	<u>\$ 592,595</u>

December 31, 2023

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	\$ 130,508	\$ 30,406	\$ 100,102	\$ -
Accounts receivable factoring	25	1	24	-
Installment receivables and lease receivables	101,064	29,413	71,651	-
Discounts and loans	<u>2,928,147</u>	<u>791,094</u>	<u>2,137,053</u>	<u>521,857</u>
Total amount of impaired financial asset	<u>\$ 3,159,744</u>	<u>\$ 850,914</u>	<u>\$ 2,308,830</u>	<u>\$ 521,857</u>

June 30, 2023

	Total Book Value	Credit Impairment	Amount of Risk Exposure (Amortized Cost)	Collaterals Value
Impaired financial asset:				
Accounts receivable				
Credit card business	\$ 114,741	\$ 23,604	\$ 91,137	\$ -
Accounts receivable factoring	38	1	37	-
Installment receivables and lease receivables	34,329	10,360	23,969	-
Discounts and loans	<u>2,364,063</u>	<u>574,888</u>	<u>1,789,175</u>	<u>195,948</u>
Total amount of impaired financial asset	<u>\$ 2,513,171</u>	<u>\$ 608,853</u>	<u>\$ 1,904,318</u>	<u>\$ 195,948</u>

The amount of the KGI Bank and subsidiaries' financial assets which has been written off and still has recourse activities of outstanding contract amount is \$582,069 thousand and \$446,712 thousand for the six months ended June 30, 2024 and 2023.

6) Concentrations of credit risk

Concentrations of credit risk arise when there is only one counterparty, or when there is a number of more than one counterparty but they are engaged in similar economic activities and have similar economic characteristics, so that their collective ability to meet contractual obligations is uniformly affected by changes in economic or other conditions.

Credit risk concentration can arise from a bank's assets, liabilities, or off-balance sheet items through the execution or processing of transactions (either product or service), or through a combination of exposures across these broad categories. It includes credits, due from and call loans to banks, investments, receivables and derivatives, etc. KGI Bank maintained a diversified loan portfolio to mitigate the credit risk concentration to the same customers or the same counterparty; total transaction of the same customers or the same counterparty in discounts and loans are not material. To manage credit risk concentration, KGI Bank maintains a diversified portfolio and monitors its exposure continually. KGI Bank's most significant concentrations of credit risk are summarized as follows:

a) By object

Object	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Public and private enterprise	\$ 261,204,658	58.56	\$ 234,684,241	58.36	\$ 233,593,111	58.98
Natural person	184,872,350	41.44	167,453,281	41.64	162,460,833	41.02
Total	\$ 446,077,008	100.00	\$ 402,137,522	100.00	\$ 396,053,944	100.00

b) By region

Region	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Domestic	\$ 359,523,118	80.60	\$ 327,247,935	81.38	\$ 316,426,582	79.89
Overseas	86,553,890	19.40	74,889,587	18.62	79,627,362	20.11
Total	\$ 446,077,008	100.00	\$ 402,137,522	100.00	\$ 396,053,944	100.00

c) By collateral

Collateral	June 30, 2024		December 31, 2023		June 30, 2023	
	Amount	%	Amount	%	Amount	%
Non-collateral	\$ 244,802,057	54.88	\$ 209,655,063	52.14	\$ 204,271,580	51.58
Collateral						
Property	185,793,069	41.65	175,106,905	43.54	175,398,530	44.29
Guarantee	4,047,140	0.91	3,416,212	0.85	4,803,008	1.21
Financial collateral	7,151,189	1.60	9,225,201	2.29	5,649,804	1.43
Others	4,283,553	0.96	4,734,141	1.18	5,931,022	1.49
Total	\$ 446,077,008	100.00	\$ 402,137,522	100.00	\$ 396,053,944	100.00

7) Management of foreclosed collateral

Foreclosed collaterals are recorded at cost, using lower-at-cost or market approach as of the balance sheet date. For those foreclosed collaterals which were not disposed of within the statutory period, except for applying for an extension of the disposal period, if the competent authority ask for the increase of its provision for possible losses, KGI Bank should execute as required.

	June 30, 2024	December 31, 2023	June 30, 2023
Foreclosed collateral	\$ 588,985	\$ 588,985	\$ 588,985
Accumulated impairment	<u>(588,985)</u>	<u>(588,985)</u>	<u>(588,985)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Foreclosed collateral will be sold when it is actually available for sale. The foreclosed collateral is classified as other assets in balance sheet. The difference amount between the disposition price and the book value is recognized as net other noninterest profit and gain.

8) Disclosures required in the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Asset quality of nonperforming loan and overdue credits of KGI Bank

Item			June 30, 2024				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		\$ 396,129	\$ 87,974,098	0.45%	\$ 1,254,531	316.70%
	Unsecured		81,052	186,309,962	0.04%	2,070,292	2,554.28%
Consumer loan	Mortgage (Note 4)		61,655	83,250,064	0.07%	1,252,138	2,030.87%
	Cash card		126,798	10,167,043	1.25%	155,396	122.55%
	Micro credit (Note 5)		595,656	48,307,362	1.23%	775,399	130.18%
	Others (Note 6)	Secured	10,112	30,050,789	0.03%	319,842	3,162.95%
		Unsecured	-	17,690	-	180	-
Total			1,271,402	446,077,008	0.29%	5,827,778	458.37%
			Overdue Receivables	Accounts Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			\$ 50,858	\$ 3,929,754	1.29%	\$ 89,603	176.18%
Accounts receivable - factored without recourse (Note 7)			4	8,604,327	0.00%	116,767	3,163,567.65%

Item			June 30, 2023				
			Nonperforming Loan (NPL) (Note 1)	Total Loans	NPL Ratio (Note 2)	Loan Loss Reserves (LLR)	Coverage Ratio (Note 3)
Corporate loan	Secured		\$ 51,851	\$ 91,780,262	0.06%	\$ 1,148,723	2,215.43%
	Unsecured		90,782	154,750,700	0.06%	1,735,789	1,912.04%
Consumer loan	Mortgage (Note 4)		28,525	72,945,492	0.04%	1,096,876	3,845.25%
	Cash card		108,375	10,532,656	1.03%	245,961	226.95%
	Micro credit (Note 5)		467,779	38,940,117	1.20%	636,229	136.01%
	Others (Note 6)	Secured	9,714	27,073,610	0.04%	288,882	2,973.73%
		Unsecured	-	31,107	-	318	-
Total			757,026	396,053,944	0.19%	5,152,778	680.66%
			Overdue Receivables	Accounts Receivable	Delinquency Ratio	Allowance for Credit Losses	Coverage Ratio
Credit card			\$ 30,096	\$ 3,586,900	0.84%	\$ 60,334	200.47%
Accounts receivable - factored without recourse (Note 7)			5	8,216,336	0.00%	98,344	2,103,621.88%

Note 1: Non-performing loans are reported in accordance with the “Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Non-performing/Non-accrual Loans” issued by Ministry of Finance. Overdue credit card receivables are regulated by Order No. 0944000378 announced by the FSC on July 6, 2005.

Note 2: NPL ratio = NPL/Total loans. For credit card business: Delinquency ratio = Overdue credit card receivables/Credit card receivables balance.

Note 3: Coverage ratio = LLR/NPL. Coverage ratio of credit receivables: Allowance for credit losses/Overdue credit card receivables.

Note 4: Household mortgage refers to financing obtained to buy, build, or fix houses owned by the borrower or the borrower’s spouse or children, with the house used as loan collateral.

Note 5: Micro credit is covered by a Banking Bureau pronouncement dated December 19, 2005 (Order No. 09440010950) and is excluded from credit card and cash card loans.

Note 6: “Others” under consumer loans refers to secured or unsecured loans other than mortgage loans, cash cards, micro credit, and it does not include credit cards.

Note 7: As required by the Banking Bureau in its letter dated July 19, 2005 (Order No. 0945000494), allowance for bad debt is recognized once no compensation is made by a factor or insurance company within three months for accounts receivable - factoring without recourse.

b) Exemption of KGI Bank’s nonperforming loans and overdue receivables

Items	June 30, 2024		June 30, 2023	
	Excluded NPL	Excluded Overdue Receivables	Excluded NPL	Excluded Overdue Receivables
Amounts of executed contracts on negotiated debts not reported (Note 1)	\$ 1,774	\$ 49	\$ 2,625	\$ 60
Amounts of executed debt settlement program and rehabilitation program (Note 2)	72,223	6,048	71,080	6,209
Total	\$ 73,997	\$ 6,097	\$ 73,705	\$ 6,269

Note 1: The disclosure of excluded NPLs and excluded overdue receivables resulting from debt negotiations and loan agreements is based on the Banking Bureau letter dated April 25, 2006 (Order No. 09510001270).

Note 2: The disclosure of excluded NPLs and excluded overdue receivables resulting from consumer debt clearance is based on the Banking Bureau letters dated September 15, 2008 (Order No. 09700318940) and dated September 20, 2016 (Order No. 10500134790).

c) Concentration of KGI Bank's credit risk

June 30, 2024

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	A Group - Real estate development activities	\$ 6,762,349	9.84
2	B Group - Real estate activities for sale and rental	6,472,727	9.42
3	C Group - Manufacture of liquid crystal panel and components	5,504,668	8.01
4	D Group - Real estate development activities	5,254,000	7.65
5	E Group - Engineering services and related technical consultancy	4,690,000	6.83
6	F Group - Construction of Utility Projects	4,610,684	6.71
7	G Group - Other Real Estate Activities	4,459,790	6.49
8	H Group - Real estate activities for sale and rental	4,278,587	6.23
9	I Group - Manufacture of liquid crystal panel and components	4,060,564	5.91
10	J Group - Real estate activities for sale and rental	3,775,560	5.49

June 30, 2023

(In Thousands of New Taiwan Dollars, %)

Top 10 Ranking	Group (Industry Category)	Total Credit	Percentage of Net Worth
1	I Group - Manufacture of liquid crystal panel and components	\$ 8,063,355	12.34
2	A Group - Real estate development activities	6,206,540	9.50
3	K Group - Manufacture of electronic passive devices	5,833,390	8.93
4	B Group - Real estate activities for sale and rental	5,008,668	7.67
5	C Group - Manufacture of liquid crystal panel and components	4,844,886	7.42
6	D Group - Real estate development activities	4,206,000	6.44
7	L Group - Manufacture of chemical material	4,148,029	6.35
8	H Group - Short-term accommodation activities	4,097,708	6.27
9	M Group - Real estate activities for sale and rental	4,080,455	6.25
10	N Group - Financial leasing	3,528,652	5.40

9) Judgements of a significant increase in credit risk since initial recognition

Credit business

KGI Bank assesses changes in credit quality during the expected lifetime of various types of credit assets on each reporting date to determine if there has been a significant increase in credit risk since the initial recognition, primarily consideration of indicators and supporting information (including prospective information) were as the follows:

a) Quantitative index

When the contractual payments are overdue for more than 30 days, the credit risk of the credit assets are considered to be significantly increased since the initial recognition.

b) Qualitative index

- i. Changes in the current or predicted operating, financial, or economic conditions that are expected to cause a significant change in the ability of the borrower to perform its obligations.
- ii. Actual or expected significant changes in borrower's operating results.
- iii. The credit risk of other credit contracts of the same borrower has increased significantly.
- iv. Individual credit assets, if the client did not suffer from financial difficulties at the time of the agreement can be included after assessment.

For the various types of credit assets of KGI Bank which are not be regarded as low credit risk, it can be assumed that the credit risk of such assets has not increased significantly since the initial recognition.

10) Definition of default and impaired credit of financial assets

The definition of default of the financial assets of the KGI Bank is the same as that of the impaired credit assets. If one or more of the following conditions are met, KGI Bank determines that the credit asset has defaulted, and the credit is impaired:

a) Quantitative index

- i. When the borrower's overdue payment of the contract is more than 90 days.
- ii. Changes in external rating of guarantor or issuer of the notes or bonds.

b) Qualitative index

If there is evidence that the borrower will be unable to settle the loan, or has significant financial difficulties, such as:

- i. Borrower has been bankrupted or may file a petition for bankruptcy or financial restructuring.
- ii. Borrower's loan contract has been reclassified to nonperforming loans or has been written off as bad debts by the KGI Bank.

- iii. Due to financial or contractual reasons related to the financial difficulties of the borrower, the creditor of the borrower gives the borrower concessions that would not have been considered or agreed (agreements).
- iv. For cases involving the sale of non-performing loans and suits.
- v. Payment by the bank to fulfill off-balance sheet financial contracts (e.g., guarantee advances).

The aforementioned definition of default and credit impairment applied to the credit assets held by KGI Bank is consistent with the definition of credit assets used for internal credit risk management purposes, and the relevant impairment assessment model is used.

The credit asset will be restored to the state of compliance and is not considered a credit impaired credit asset in default if it no longer meets the definition of default and credit impairment.

A debt instrument investor may also be deemed to have a credit impairment on the financial asset if the rating of the bond guarantor or issuer's rating deteriorates significantly, for example, from an investment grade to a junk bond rating, or if one or more of the following conditions are met:

- i. The guarantor or issuer cannot repay the principal or interest on the maturity date of the note or bond.
- ii. Before the maturity of the note or bond, it can be objectively determined that the bond guarantor or issuer of note or bond may not be able to repay the principal and interest of the note or bond on time.
- iii. Before the maturity of the note or bond, the bond guarantor or issuer of note or bond is in bankruptcy or in reorganization or taken over due to financial difficulties.
- iv. Before the maturity of the note or bond, the bond guarantor or issuer of note or bond closes down or is in the process of performing other financial restructuring.

11) Write-off policy

The KGI Bank shall write off bad debts for non-performing loans and overdue receivables that meet one of the following requirements:

- a) When reaching the criteria of write-off of the regulation.
- b) There is a need to expedite the reduction of non-performing loans or for certain businesses that needs to comply with the requirements of the governing authorities.
- c) Written off by the governing authorities or the financial inspection authorities.
- d) Although the collateral has been collected, if it is difficult to dispose of the collateral or it may take a long time to recover the loan, the creditor's balance shall be written off within the period which specified in a).
- e) Obtaining the documentary evidence or supporting documents with the assessments that it is not possible to recover the loan.

12) Amendment of contract cash flows of financial assets

KGI Bank may amend the contract cash flows of credit assets as a result of financial difficulties of borrowers or improvement of problematic debtors' recovery rate. The contract amendments include the extension of the contract period, interest payment time modification, contract interest rate modification, or exemption of part of the debts.

13) Measurement of expected credit losses

For the purpose of measuring expected credit losses, the Bank divides credit assets into the following groups: for corporate banking, they are grouped according to scale, while for consumer banking, they are grouped according to product characteristics:

Business	Combination	Definition
Corporate banking	Large enterprises + Stage 1	Credit risk has not increased significantly.
	Small and medium enterprises + Stage 1	
	Large enterprises + Stage 2	Credit risk has increased significantly.
	Small and medium enterprises + Stage 2	
	Large enterprises + Stage 3	Credit impaired.
	Small and medium enterprises + Stage 3	
Consumer banking	Product + Stage 1	Credit risk has not increased significantly.
	Product + Stage 2	Credit risk has increased significantly.
	Product + Stage 3	Credit impaired.

KGI Bank measures the allowance loss for financial instruments that did not have a significant increase in credit risk since initial recognition based on the 12-month expected credit loss. For financial instruments that had a significant increase in credit risk or are credit impaired since initial recognition, the allowance loss is measured by lifetime expected credit losses.

To measure the expected credit losses, KGI Bank takes into account the borrower's probability of default ("PD") for the next 12 months and the period of existence, and include the loss given default ("LGD"). Multiply by the Exposure at default ("EAD") and taking into account the impact of the time value of money, the expected credit losses for 12 months and duration are calculated.

Probability of default is the probability of default of the borrower (or the counterparty) over a period of time; the loss given default refers to the probability of loss of the borrower (or the counterparty) due to inability to recover the debt at the end of the reminder procedures. The probability of default and loss given default are used in the impairment assessment of KGI Bank credit business are based on internal historical information (such as credit loss experience, etc.) of each group, and adjust the history data based on the current observable data and forward-looking general economic information (such as GDP and employment rate, etc.) which are used to calculate the probability of default on expected losses.

The exposure at default mean that KGI Bank can claim compensation for the book value held by borrowers (or the counterparty) after borrowers have defaulted. KGI Bank's exposure at default amount has taken into account the amount of credits that have been used and the amounts that may be used in the future for the exposure at default amount. The amount of credits is used as an assessment of exposure at default of on balance sheet credits or part of credits that were already used; off-balance sheet or committed credits that are not yet used are based on the corresponding Credit Conversion Factor (CCF) which considered the credits that are expected to be used within 12 months after the reporting date or expected lifetime to calculate exposure at default of expected credit loss.

14) Considerations of forward-looking information

KGI Bank incorporates forward-looking information when measuring expected credit losses on loans and receivables. Based on the business characteristics, KGI Bank selected the appropriate overall indicators as an adjustment parameter for default probability of lending. Based on the type of business, KGI Bank used different overall indicator. The Corporate banking business takes the Economic Growth Rate (GDP) as an adjustment parameter; the consumer banking business takes employment rate variation as adjustment parameter. KGI Bank will make reference to external information (predicted value of internationally renowned economic forecasting institutions) or group expert assessments to provide forecasting information on economic factors quarterly. For example, the changes of leading index and interbank offered rate as basic economic conditions; it contains the best estimate of the economic situation in the next five years.

The measurement of expected credit loss of KGI Bank's debt instruments is based on an external credit migration matrix method to calculate the Probability of default (PD), which is incorporated in the information of forward-looking factors.

15) Changes of provisions for off-balance-sheet guarantees and commitments

For the Six Months Ended June 30, 2024

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL			
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2024	\$ 86,033	\$ 91	\$ -	\$ 2	\$ -	\$ 86,126	\$ 154,967	\$ 241,093
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(15)	15	-	-	-	-	-	-
From conversion to credit-impaired financial assets	-	-	-	-	-	-	-	-
To 12-month ECL	13	(13)	-	-	-	-	-	-
Derecognizing financial assets during the current period	(16,032)	(76)	-	(2)	-	(16,110)		(16,110)
Purchased or originated new financial assets	20,374	90	-	-	-	20,464		20,464
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							38,805	38,805
Effect of exchange rate changes and others	(7,538)	104	-	4	-	(7,430)		(7,430)
Balance at June 30, 2024	\$ 82,835	\$ 211	\$ -	\$ 4	\$ -	\$ 83,050	\$ 193,772	\$ 276,822

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees and expected credit loss during the duration of the financing commitments for the six months ended June 30, 2024. The aforementioned provision on June 30, 2024 increased by \$35,729 thousand from the beginning of the year.

For the Six Months Ended June 30, 2023

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2023	\$ 63,024	\$ 30	\$ -	\$ 41	\$ -	\$ 63,095	\$ 107,002	\$ 170,097
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	-	-	-	-	-	-		-
From conversion to credit-impaired financial assets	-	-	-	-	-	-		-
To 12-month ECL	20	(2)	-	(18)	-	-		-
Derecognizing financial assets during the current period	(15,031)	(41)	-	(11)	-	(15,083)		(15,083)
Purchased or originated new financial assets	31,166	32	-	16	-	31,214		31,214
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							68,226	68,226
Effect of exchange rate changes and others	12,338	57	-	(8)	-	12,387		12,387
Balance at June 30, 2023	<u>\$ 91,517</u>	<u>\$ 76</u>	<u>\$ -</u>	<u>\$ 20</u>	<u>\$ -</u>	<u>\$ 91,613</u>	<u>\$ 175,228</u>	<u>\$ 266,841</u>

KGI Bank and subsidiaries had no significant change in off-balance-sheet guarantees and expected credit loss during the duration of the financing commitments for the six months ended June 30, 2023. The aforementioned provision on June 30, 2023 increased by \$96,744 thousand from the beginning of the year.

16) Loss allowance for financial assets measured at FVTOCI

For the six months ended June 30, 2024 and 2023, there was no significant increase in the credit risk of debt instruments measured at FVTOCI of KGI Bank and subsidiaries; therefore, the loss allowance was assessed based on 12 months expected credit losses. As of June 30, 2024, December 31, 2023 and June 30, 2023, loss allowance for debt instruments measured at FVTOCI due to the adjustment of the portfolio were \$46,963 thousand, \$41,633 thousand and \$44,289 thousand, respectively.

17) Loss allowance for financial assets measured at amortized cost

For the six months ended June 30, 2024 and 2023, there was no significant increase in the credit risk of debt investments measured at amortized cost of KGI Bank and subsidiaries; therefore, the loss allowance was assessed based on 12 months expected credit losses. As of June 30, 2024, December 31, 2023 and June 30, 2023, the recognition of loss allowance were \$6,107 thousand, \$5,489 thousand and \$5,801 thousand, respectively.

18) Loss allowance for receivables

The reconciliation statement of loss allowance for receivables for the six months ended June 30, 2024 and 2023 of the KGI Bank and subsidiaries were as follows:

For the Six Months Ended June 30, 2024

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2024	\$ 50,531	\$ 28,486	\$ -	\$ 1,142,044	\$ -	\$ 1,221,061	\$ 176,706	\$ 1,397,767
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(756)	1,277	-	(521)	-	-		-
From conversion to credit-impaired financial assets	(474)	(1,607)	-	2,081	-	-		-
To 12-month ECL	4,133	(4,073)	-	(60)	-	-		-
Derecognizing financial assets during the current period	(37,581)	(11,462)	-	(2,484)	-	(51,527)		(51,527)
Purchased or originated new financial assets	37,752	2,084	-	1,250	-	41,086		41,086
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/ nonaccrual loans							(21,060)	(21,060)
Write-off	-	-	-	(43,586)	-	(43,586)		(43,586)
Recovery of written-off	-	-	-	950	-	950		950
Effect of exchange rate changes and others	4,824	16,594	-	84,106	-	105,524		105,524
Balance at June 30, 2024	<u>\$ 58,429</u>	<u>\$ 31,299</u>	<u>\$ -</u>	<u>\$ 1,183,790</u>	<u>\$ -</u>	<u>\$ 1,273,508</u>	<u>\$ 155,646</u>	<u>\$ 1,429,154</u>

For the Six Months Ended June 30, 2023

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2023	\$ 48,035	\$ 23,846	\$ -	\$ 1,146,937	\$ -	\$ 1,218,818	\$ 222,504	\$ 1,441,322
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(6,937)	7,321	1	(385)	-	-		-
From conversion to credit-impaired financial assets	(214)	(3,487)	-	3,701	-	-		-
To 12-month ECL	1,178	(1,072)	-	(106)	-	-		-
Derecognizing financial assets during the current period	(34,774)	(7,131)	(2,121)	(10,338)	-	(54,364)		(54,364)
Purchased or originated new financial assets	39,304	825	3,033	836	-	43,998		43,998
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/ nonaccrual loans							(55,238)	(55,238)
Write-off	-	-	-	(25,478)	-	(25,478)		(25,478)
Recovery of written-off	-	-	-	3,812	-	3,812		3,812
Effect of exchange rate changes and others	13,471	10,492	1,489	20,704	-	46,156		46,156
Balance at June 30, 2023	<u>\$ 60,063</u>	<u>\$ 30,794</u>	<u>\$ 2,402</u>	<u>\$ 1,139,683</u>	<u>\$ -</u>	<u>\$ 1,232,942</u>	<u>\$ 167,266</u>	<u>\$ 1,400,208</u>

Changes in total book values of receivables of KGI Bank and subsidiaries were as follows:

For the Six Months Ended June 30, 2024

	Stage 1	Stage 2		Stage 3		Total
	12 Months ECL	Lifetime ECL		Lifetime ECL		
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1, 2024	\$ 27,338,310	\$ 283,579	\$ -	\$ 1,739,969	\$ -	\$ 29,361,858
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Receivables based on collective assessment	(199,291)	102,668	-	96,623	-	-
Purchased or originated new receivables	11,829,318	20,687	-	4,456	-	11,854,461
Write-off	-	-	-	(43,586)	-	(43,586)
Derecognition	(12,884,047)	(97,921)	-	(107,769)	-	(13,089,737)
Effect of exchange rate changes and others	<u>347,685</u>	<u>33</u>	<u>-</u>	<u>47,603</u>	<u>-</u>	<u>395,321</u>
Balance at June 30, 2024	\$ 26,431,975	\$ 309,046	\$ -	\$ 1,737,296	\$ -	\$ 28,478,317

For the Six Months Ended June 30, 2023

	Stage 1	Stage 2		Stage 3		Total
	12 Months ECL	Lifetime ECL		Lifetime ECL		
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1, 2023	\$ 29,763,221	\$ 281,421	\$ -	\$ 1,752,835	\$ -	\$ 31,797,477
Conversion from individual financial instruments to lifetime ECL	(4,449)	-	4,449	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Receivables based on collective assessment	(133,833)	90,764	-	43,069	-	-
Purchased or originated new receivables	9,960,606	13,976	7,429	4,348	-	9,986,359
Write-off	-	-	-	(25,478)	-	(25,478)
Derecognition	(11,918,646)	(71,635)	(6,550)	(42,985)	-	(12,039,816)
Effect of exchange rate changes and others	<u>55,024</u>	<u>-</u>	<u>311</u>	<u>16,320</u>	<u>-</u>	<u>71,655</u>
Balance at June 30, 2023	<u>\$ 27,721,923</u>	<u>\$ 314,526</u>	<u>\$ 5,639</u>	<u>\$ 1,748,109</u>	<u>\$ -</u>	<u>\$ 29,790,197</u>

19) Loss allowance for discounts and loans

The reconciliation statement of allowance for bad debts of discounts and loans for the six months ended June 30, 2024 and 2023 of the KGI Bank and subsidiaries were as follows:

For the Six Months Ended June 30, 2024

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL		Lifetime ECL				
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2024	\$ 789,010	\$ 168,283	\$ -	\$ 791,094	\$ -	\$ 1,748,387	\$ 3,406,787	\$ 5,155,174
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(4,488)	10,457	-	(5,969)	-	-	-	-
From conversion to credit-impaired financial assets	(4,981)	(36,133)	-	41,114	-	-	-	-
To 12-month ECL	3,910	(2,744)	-	(1,166)	-	-	-	-
Derecognizing financial assets during the current period	(553,273)	(17,254)	-	(30,324)	-	(600,851)		(600,851)
Purchased or originated new financial assets	572,877	1,179	-	7	-	574,063		574,063
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							422,583	422,583
Write-off	-	-	-	(482,436)	-	(482,436)		(482,436)
Recovery of written-off	-	-	-	346,664	-	346,664		346,664
Effect of exchange rate changes and others	97,960	140,403	-	174,218	-	412,581		412,581
Balance at June 30, 2024	\$ 901,015	\$ 264,191	\$ -	\$ 833,202	\$ -	\$ 1,998,408	\$ 3,829,370	\$ 5,827,778

For the Six Months Ended June 30, 2023

	Stage 1	Stage 2		Stage 3		Impairment in Accordance with IFRS 9	The Adjustments Under Regulations Governing the Procedures for Banking Institutions to Evaluate Assets and Deal with Nonperforming/ Nonaccrual Loans	Total
	12 Months ECL	Lifetime ECL		Lifetime ECL				
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets			
Balance at January 1, 2023	\$ 702,059	\$ 99,224	\$ -	\$ 617,242	\$ -	\$ 1,418,525	\$ 3,762,082	\$ 5,180,607
Changes due to financial instruments that have been identified at the beginning of the period:								
To lifetime ECL	(1,702)	7,020	106	(5,424)	-	-	-	-
From conversion to credit-impaired financial assets	(3,149)	(22,782)	-	25,931	-	-	-	-
To 12-month ECL	5,115	(3,046)	-	(2,069)	-	-	-	-
Derecognizing financial assets during the current period	(481,958)	(10,436)	(2)	(28,811)	-	(521,207)		(521,207)
Purchased or originated new financial assets	460,853	336	-	28	-	461,217		461,217
The adjustments under regulations governing the procedures for banking institutions to evaluate assets and deal with nonperforming/nonaccrual loans							(301,622)	(301,622)
Write-off	-	-	-	(386,672)	-	(386,672)		(386,672)
Recovery of written-off	-	-	-	473,259	-	473,259		473,259
Effect of exchange rate changes and others	83,366	50,155	232,271	(118,596)	-	247,196		247,196
Balance at June 30, 2023	\$ 764,584	\$ 120,471	\$ 232,375	\$ 574,888	\$ -	\$ 1,692,318	\$ 3,460,460	\$ 5,152,778

Changes in total book values of discounts and loans of the KGI Bank and subsidiaries were as follows:

For the Six Months Ended June 30, 2024

	Stage 1	Stage 2		Stage 3		Total
	12 Months ECL	Lifetime ECL		Lifetime ECL		
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1, 2024	\$ 397,443,558	\$ 1,765,817	\$ -	\$ 2,928,147	\$ -	\$ 402,137,522
Conversion from individual financial instruments to lifetime ECL	-	-	-	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Discounts and loans based on collective assessment	(1,099,449)	351,999	-	747,450	-	-
Purchased or originated new discounts and loans	315,651,146	9,050	-	80	-	315,660,276
Write-off	-	-	-	(482,436)	-	(482,436)
Derecognition	(274,483,692)	(149,512)	-	(112,584)	-	(274,745,788)
Effect of exchange rate changes and others	<u>3,481,220</u>	<u>4,462</u>	<u>-</u>	<u>21,752</u>	<u>-</u>	<u>3,507,434</u>
Balance at June 30, 2024	\$ 440,992,783	\$ 1,981,816	\$ -	\$ 3,102,409	\$ -	\$ 446,077,008

For the Six Months Ended June 30, 2023

	Stage 1	Stage 2		Stage 3		Total
	12 Months ECL	Lifetime ECL		Lifetime ECL		
		Lifetime ECL (Collectively Assessed)	Lifetime ECL (Individually Assessed)	Non-purchased or Originated Credit-impaired Financial Assets	Purchased or Originated Credit-impaired Financial Assets	
Balance at January 1, 2023	\$ 395,967,373	\$ 1,533,963	\$ -	\$ 2,304,303	\$ -	\$ 399,805,639
Conversion from individual financial instruments to lifetime ECL	(516,704)	-	516,704	-	-	-
Conversion from individual financial instruments to credit-impaired financial assets	-	-	-	-	-	-
Roll-out individual financial instruments from credit-impaired financial assets	-	-	-	-	-	-
Discounts and loans based on collective assessment	(711,660)	151,535	-	560,125	-	-
Purchased or originated new discounts and loans	254,917,706	3,368	-	281	-	254,921,355
Write-off	-	-	-	(386,672)	-	(386,672)
Derecognition	(258,805,059)	(146,146)	(8,509)	(112,824)	-	(259,072,538)
Effect of exchange rate changes and others	<u>749,882</u>	<u>-</u>	<u>37,428</u>	<u>(1,150)</u>	<u>-</u>	<u>786,160</u>
Balance at June 30, 2023	\$ 391,601,538	\$ 1,542,720	\$ 545,623	\$ 2,364,063	\$ -	\$ 396,053,944

KGI Securities and subsidiaries

Credit risk analysis

1) Source of credit risk

The credit risks that KGI Securities and subsidiaries are exposed to during financial transactions include issuer's credit risk, and counterparty credit risk, etc.

- a) Issuer's credit risk refers to the risk of financial loss that KGI Securities and subsidiaries face while possessing financial debt instruments when an issuer (or guarantor) or a bank defaults, files for bankruptcy or liquidates assets and in turn cannot honor the stipulations and fulfill the obligation of paying back (or fulfilling a guarantee).
- b) Counterparty credit risk refers to the risk of financial loss that KGI Securities and subsidiaries face when a counterparty in derivative financial instrument transactions or other counterparties do not complete a transaction or fulfill a payment obligation on the appointed date.

2) Credit risk management

The investment, acquisition of fixed-income securities, other financial assets, and credit risk management of current counterparties are handled in accordance with KGI Securities and subsidiaries' internal control procedures and related regulations, and most of them have reached an external credit rating investment grade or above, so credit risk is very low.

3) Default and credit derogation definition of financial assets

- a) The definition of the credit assets default of the KGI Securities and subsidiaries are the same as that of the impaired credit assets. If there is evidence that the issuer or counterparty will be unable to pay, or has significant financial difficulties, such as:
 - i. The issuer or counterparty has been bankrupt or may file a petition for bankruptcy or financial restructuring.
 - ii. The contract of the other financial instrument of the issuer or counterparty has been breached.
 - iii. The active market for the financial asset disappeared due to the financial difficulties of the issuer or counterparty.
 - iv. Purchase or initiate financial assets at a substantial discount that reflects credit losses that have occurred.
- b) The aforementioned definition of default and credit impairment applies to all financial assets held by KGI Securities and subsidiaries are consistent with the definition of financial assets used for internal credit risk management purposes and is used in the relevant impairment assessment.
- c) If a credit asset is assessed to no longer meet the definition of default and credit impairment, it should return to the state of compliance, and is no longer considered a credit asset for default and credit impairment.
- d) KGI securities and subsidiaries' financial assets are written-off if they are unable to reasonably expect that financial assets will be recovered (e.g., significant financial difficulties for the issuer or the debtor, or bankrupt).

4) Credit risk statement for financial assets

a) Cash and cash equivalents

KGI Securities and subsidiaries mainly deposit cash such as cash in bank in creditworthy financial institutions and deposit a certain amount of securities in a specific account appointed by the futures companies when engaging in future trading. KGI Securities and subsidiaries regularly evaluate the financial, operating and credit risk status of financial institutions and futures companies, and control the credit risk with the results. The evaluated credit risk is under KGI Securities and subsidiaries' control.

b) Financial assets measured at fair value through profit or loss - current

KGI Securities holds the unsecured corporate bonds, convertible (exchangeable) corporate bonds and part of the CB Asset Swap. Issuers of unsecured corporate bonds are listed/OTC companies or financial institutions. Issuers of convertible (exchangeable) corporate bonds are listed/OTC companies in Taiwan and partial of them are secured by bank. In most other holdings, KGI Securities conducts CB asset swap and issues Credit Linked Note to transfer credit risk and lower the credit risk exposure of the issuer. Therefore, the credit risk of the issuer has been effective control.

c) Financial assets measured at fair value through other comprehensive income (excluding equity instrument investments) and financial assets at amortized costs

KGI Securities and subsidiaries holds mainly the medium and long-term bond investment position. KGI Securities and subsidiaries pays attention to the credit rating of each investment and the financial status of the issuer (or guarantee institution) in order to minimize credit risk.

d) Bonds purchased under resell agreements

The counterparties with bonds purchased under resell agreements are mainly creditworthy financial institutions and companies. Because KGI Securities and subsidiaries holds bonds purchased under resell agreements as collateral, it can effectively reduce underlying exposure the counterparty's credit risk.

e) Receivables

Receivables mainly include margin loans receivable, trading securities receivable, futures commission merchant receivable and accounts receivable, etc. The main credit risk is receivable on margin loans and trading securities receivable of credit trading customers. KGI Securities and subsidiaries closely monitor market fluctuations and counterparties credit history and enforce related control measures to minimize the credit risk.

f) Customer margin accounts

The exclusive account for depositing customer margin accounts is mainly opened in creditworthy banks, financial institutions and companies with investment grades, so there is no significant credit risk.

g) Stock borrowing collateral price and guarantee deposits - borrowed securities

When KGI Securities borrows securities from outside, they must deposit the guaranty fund into the financial institution designated by the other parties. Because KGI Securities holds the foregoing borrowed securities simultaneously, it can effectively reduce the risk of the counterparty's credit risk.

h) Other non-current assets

Other non-current assets are mainly operating guarantee deposits, clearing and settlement funds and guarantee deposits-out. KGI Securities and subsidiaries carefully evaluates the counterparty in accordance with the amount of deposit. The counterparties are a large number, and the amount of each deposit is not high. The credit risk has been effectively dispersed, so the credit risk is very low.

5) Assessment of expected credit losses

a) Consideration of forward-looking information

KGI Securities and subsidiaries take forward-looking information into consideration when assessing whether there has been a significant increase in financial assets' credit risk after initial recognition and when measuring of expected credit losses.

Probability of default of debt instrument investment (except for at fair value through profit or loss) used by KGI Securities and subsidiaries is based on the probability of default contained forward-looking general economic information and regularly announced by international credit rating agencies.

Except for debt instrument investments, financial assets of KGI Securities and subsidiaries are analyzed using historical data to determine the economic factors that affect the expected credit losses of each asset portfolios and supplemented by the best expectation announced by the government-affiliated institutions and academic research units. The best estimate of expected credit losses is reevaluate and revised on each financial reporting date.

b) Receivables and others financial assets

KGI Securities and domestic subsidiaries

KGI Securities and its domestic subsidiaries use simplified approach of IFRS 9 to measure the allowance losses by lifetime expected credit losses. The lifetime expected credit losses are based on historical records, current information, and relevant forward-looking information calculated by a regression model. For the fact that KGI Securities and domestic subsidiaries' historical records of credit losses indicate that there is no significant difference in the loss patterns of different customer groups, it is not measured in groups.

Overseas subsidiaries

The financial assets of overseas subsidiaries whose credit risk do not increase significantly after initial recognition are measured as 12-month expected credit losses. For financial assets whose credit risk has increased significantly after initial recognition, they are measured as lifetime expected credit losses. Customers' past default records, counterparty credit ratings, current information and relevant forward-looking information are taken into consideration when assessing expected credit losses. For the fact that there is no significant difference in the loss patterns of different customer groups of overseas subsidiaries, it is not measured in groups.

c) Debt instrument investment (except at fair value through profit or loss)

The original purchase is based on the premise that the credit risk is low, it is assessed whether the credit risk is significantly increased and whether the credit risk is impaired after the initial recognition on each balance sheet date. The three stages are no significant increase in credit risk (Stage 1), low credit risk (Stage 2) and credit impairment (Stage 3). For the determination of significant increase in credit risk since initial recognition, the main indicators to be considered include the external credit rating and its change in grade (from investment grade to non-investment grade or credit rating dropping by more than a certain level compared to the original recognition date), and other market information related to the issuer indicating that its credit risk has increased significantly, etc. For the determination of credit impairment, it refers to default, significant financial difficulties, bankruptcy or financial reorganization of the issuer, or a combination of certain events that may have caused the financial assets to become credit impaired. If the credit risk of a financial asset at the balance sheet date is determined to be low, the allowance for loss is measured at the expected credit loss over 12 months, assuming that the credit risk of the financial asset has not increased significantly since initial recognition, and for financial assets that have increased significantly since initial recognition or are impaired, the allowance for loss is measured at the expected credit loss over the remaining period.

In order to measure expected credit losses, KGI Securities and subsidiaries consider the probability of default (PD) of financial assets or the issuer or counterparty for the next 12 months, which collectively consider the loss given default (LGD) and is multiplied by exposure at default (EAD). KGI Securities and subsidiaries assess financial assets measured at amortized cost with exposure at default and consider the impact of time value of money to calculate the expected credit losses for 12 months and lifetime, respectively.

Probability of default is the probability that the issuer or the counterparty will default, and loss rate given default is the rate of loss caused by default by the issuer or counterparty. The probability of default and loss given default used by KGI Securities and subsidiaries in related assessment of impairment are mainly relied on the probability of default and loss given default that are regularly announced by international credit rating agencies.

- 6) The estimation techniques or material assumptions used by KGI Securities and subsidiaries to assess expected credit losses did not change significantly for the six months ended June 30, 2024 and 2023.

Disclosure of total book value and allowance loss for financial assets' expected credit loss

- 1) Summary of KGI Securities and subsidiaries' total book value and allowance loss as of June 30, 2024, December 31, 2023 and June 30, 2023 are listed as follows:

Financial assets at fair value through other comprehensive income

Total book value for financial assets at debt instruments at fair value through other comprehensive income as of June 30, 2024, December 31, 2023 and June 30, 2023 were \$46,134,147 thousand, \$45,542,812 thousand and \$47,954,039 thousand, respectively, and allowance loss were \$21,401 thousand, \$21,091 thousand and \$20,311 thousand, respectively.

Accounts receivable and othersJune 30, 2024

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	\$ 29,691,460	\$ (546)	\$ 29,690,914
Bonds purchased under resell agreements	19,998,406	-	19,998,406
Margin loans receivables	44,570,153	(12,366)	44,557,787
Trading securities receivables	22,781,591	(5,141)	22,776,450
Customer's margin accounts	65,473,643	(33)	65,473,610
Futures commission merchant receivable	114,719	(114,698)	21
Deposits required for securities borrowing	43,610,149	(2)	43,610,147
Accounts receivable	81,852,909	(8,898)	81,844,011
Other current assets	41,004,224	(7,812)	40,996,412
Other non-current assets	<u>4,850,796</u>	<u>(1,024,181)</u>	<u>3,826,615</u>
	<u>\$ 353,948,050</u>	<u>\$ (1,173,677)</u>	<u>\$ 352,774,373</u>

December 31, 2023

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	\$ 22,481,796	\$ (527)	\$ 22,481,269
Bonds purchased under resell agreements	13,142,593	(4)	13,142,589
Margin loans receivables	35,377,632	(11,626)	35,366,006
Trading securities receivables	15,688,314	(3,540)	15,684,774
Customer's margin accounts	53,729,685	(30)	53,729,655
Futures commission merchant receivable	115,172	(115,126)	46
Deposits required for securities borrowing	39,929,060	(2)	39,929,058
Accounts receivable	55,930,018	(6,603)	55,923,415
Other current assets	38,190,049	(8,946)	38,181,103
Other non-current assets	<u>4,598,077</u>	<u>(1,044,139)</u>	<u>3,553,938</u>
	<u>\$ 279,182,396</u>	<u>\$ (1,190,543)</u>	<u>\$ 277,991,853</u>

June 30, 2023

	Total Book Value	Less: Allowance Loss	Total
Cash and cash equivalents	\$ 23,532,261	\$ (348)	\$ 23,531,913
Bonds purchased under resell agreements	11,434,942	-	11,434,942
Margin loans receivables	29,729,928	(4,440)	29,725,488
Trading securities receivables	12,217,156	(1,423)	12,215,733
Customer's margin accounts	63,482,766	(45)	63,482,721
Futures commission merchant receivable	133,719	(133,719)	-
Deposits required for securities borrowing	33,529,212	(2)	33,529,210
Accounts receivable	61,980,526	(4,487)	61,976,039
Other current assets	37,476,902	(12,043)	37,464,859
Other non-current assets	<u>4,832,161</u>	<u>(885,386)</u>	<u>3,946,775</u>
	<u>\$ 278,349,573</u>	<u>\$ (1,041,893)</u>	<u>\$ 277,307,680</u>

2) Changes in allowance losses of KGI Securities and subsidiaries for the six months ended June 30, 2024 and 2023 are as follows:

a) Financial assets at fair value through other comprehensive income

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Collective)	Total
January 1, 2024	\$ 21,091	\$ -	\$ 21,091
Addition (reversal)	(22)	(64)	(86)
Change in exchange rate and others	<u>(473)</u>	<u>869</u>	<u>396</u>
June 30, 2024	<u>\$ 20,596</u>	<u>\$ 805</u>	<u>\$ 21,401</u>
January 1, 2023	\$ 20,697	\$ -	\$ 20,697
Addition (reversal)	(445)	-	(445)
Change in exchange rate and others	<u>59</u>	<u>-</u>	<u>59</u>
June 30, 2023	<u>\$ 20,311</u>	<u>\$ -</u>	<u>\$ 20,311</u>

The loss allowance of financial assets measured at fair value through other comprehensive income-debt instrument investments for the six months ended June 30, 2024 and 2023 were influenced by the derecognition and purchase.

b) Receivables and others

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Collective)	Credit Impaired Financial Assets (Lifetime Expected Credit Loss)	Lifetime Expected Credit Loss (Simplify)	Total
January 1, 2024	\$ 9,805	\$ 141	\$ 1,164,686	\$ 15,911	\$ 1,190,543
Addition (reversal)	(280)	(124)	(34,412)	6,373	(28,443)
Derecognizing financial assets during the current period	-	-	(793)	-	(793)
Changes in exchange rate and others	<u>453</u>	<u>6</u>	<u>11,906</u>	<u>5</u>	<u>12,370</u>
June 30, 2024	<u>\$ 9,978</u>	<u>\$ 23</u>	<u>\$ 1,141,387</u>	<u>\$ 22,289</u>	<u>\$ 1,173,677</u>
January 1, 2023	\$ 8,802	\$ 316	\$ 1,028,067	\$ 4,623	\$ 1,041,808
Addition (reversal)	1,175	48	743	3,126	5,092
Derecognizing financial assets during the current period	-	-	(730)	-	(730)
Changes in exchange rate and others	<u>68</u>	<u>(278)</u>	<u>(4,068)</u>	<u>1</u>	<u>(4,277)</u>
June 30, 2023	<u>\$ 10,045</u>	<u>\$ 86</u>	<u>\$ 1,024,012</u>	<u>\$ 7,750</u>	<u>\$ 1,041,893</u>

The aforementioned total book value of receivables and others were influenced by securities market transactions.

CDIB Capital Group and subsidiaries

CDIB Capital Group and its subsidiaries are exposed to credit risk due to default on contracts by counterparties. As of the balance sheet date, CDIB Capital Group and subsidiaries' maximum exposure to credit risk due to the counterparties' default on obligations is equal to the book value.

CDIB Capital Group and its subsidiaries have all kinds of financial instruments of which the maximum exposure to the credit risk is equal to the book value.

KGI Life Insurance

- Credit risk analysis

- 1) Credit risk refers to the counterparties fail to fulfill obligations of contract, resulting in the risk of loss of value. Credit risks of KGI Life Insurance result from operating and financing activities, which mainly include lending, investing in financial instruments and receivables.

The departments of KGI Life Insurance follow credit risk policies, procedures and controls to manage credit risks. The credit risk assessment of all issuers or counterparties is based on comprehensive consideration of their financial status, credit ratings, historical transaction records, current economic environment, KGI Life Insurance's internal rating indicators, and etc. Also, KGI Life Insurance uses certain credit enhancement tools in due course to reduce the credit risk of a particular issuer or counterparty.

For investments of financial instruments, its original purchase is based on the premise that the credit risk is low, and on each balance sheet date, it is assessed whether the conditions of low credit risk are still met to determine the method of measuring the allowance. Also, KGI Life Insurance dispose those investments to reduce credit losses in appropriate time, such as there is a significant increase in credit risk. In addition, KGI Life Insurance has established credit VaR model to assess the maximum loss of the credit positions due to changes of credit rating or default of issuer. Besides, KGI Life Insurance also evaluates credit risk and concentration risk based on issuer's region, industry and credit rating within portfolios.

Lending of KGI Life Insurance is determined by the factors that affect the risk based on the 5P principle which gives different weights according to the impact of the risk so as to calculate the credit score of each borrower. The credit score comprehensively measures the rationality of the purpose of the loan, the collateral area, value and number, the customer's credit report, historical interest payment record, financial status, debt repayment ability, etc. Once a delay occurs, it is promptly collected in accordance with the procedures to avoid financial losses.

KGI Life Insurance assesses expected credit losses in accordance with IFRS 9, except for some of receivables, which allowance are measured by lifetime expected credit losses. The original purchase of the rest, which do not belong to debt instruments measured at fair value through profit or loss, is based on the premise of low credit risk and uses credit risk as the basis of the differentiation group. On each balance sheet date, assessing whether the credit risk is significantly increased after the initial recognition to determine the method of measuring the allowance loss and its loss rate. The main considerations for determining whether the credit risk has increased significantly include objective evidence such as the external credit rating and its degree of change, other market information related to the issuer which shows that its credit risk has increased significantly, etc. For the judgment of credit impairment, it refers to the default of contract, the overdue payment of interest or principal for holding debt instruments for more than 90 days, the happening of major financial difficulties, bankruptcy or financial reorganization of the issuer. If the credit risk of a financial asset at the balance sheet date is low, it is assumed that the credit risk of the financial asset has not increased significantly since the initial recognition. For financial assets whose credit risk has not increased significantly since initial recognition, KGI Life Insurance measures the allowance loss by the 12-month expected credit loss amount; For financial assets with a significant increase in credit risk or credit impairment since initial recognition, KGI Life Insurance measures the allowance loss by the amount of expected credit loss during the lifetime.

Expected credit losses will be measured by the probability of default (PD) of the issuer or the counterparty over the next 12 months and the lifetime, multiplied by the loss given default (LGD) and the exposure at default (EAD), and is considered by the impact of the time value of money. The expected credit losses for 12 months and duration is calculated, respectively.

Probability of default is the probability that the issuer or the counterparty will default, and the loss given default is the rate of loss caused by default by the issuer or counterparty. KGI Life Insurance employs information on the default probability and default loss rate published by external credit rating agencies and adjusts it based on forward-looking general economic information or market conditions.

KGI Life Insurance employs amortized cost of financial assets plus accrued interest and receivables as a measure of exposure at default, while loans are calculated as the sum of the principal balance of the debtor at the time of calculation, interest, and payable as a measure of exposure at default.

Some of the allowance losses of part of receivables are measured by its expected credit losses for its lifetime. The expected credit losses during the existence period is considered by the past default records and current information, and the expected credit loss rate is set based on the overdue days of receivables.

2) Financial assets credit risk concentration analysis

- a) The largest credit risk exposure of the financial debt instrument investments held by KGI Life Insurance or deposit in the bank is listed in accordance with the regional distribution as follows:

June 30, 2024

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	\$ 36,793,448	\$ 935,106	\$ 1,085,561	\$ -	\$ -	\$ 38,814,115
Financial assets at fair value through profit or loss	25,762,294	8,092,787	9,915,162	2,575,566	-	46,345,809
Financial assets at fair value through other comprehensive income	908,755	2,085,080	6,910,901	29,320,490	-	39,225,226
Financial assets at amortized cost	126,488,829	456,262,956	382,064,943	677,414,889	4,666,956	1,646,898,573
Refundable deposits - bonds	7,339,373	-	-	12,243,493	-	19,582,866
	<u>\$ 197,292,699</u>	<u>\$ 467,375,929</u>	<u>\$ 399,976,567</u>	<u>\$ 721,554,438</u>	<u>\$ 4,666,956</u>	<u>\$ 1,790,866,589</u>
Proportion	<u>11.02%</u>	<u>26.10%</u>	<u>22.33%</u>	<u>40.29%</u>	<u>0.26%</u>	<u>100.00%</u>

December 31, 2023

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	\$ 38,086,633	\$ 2,553,958	\$ 8,561,118	\$ -	\$ -	\$ 49,201,709
Financial assets at fair value through profit or loss	27,278,093	7,482,077	9,520,667	2,410,792	-	46,691,629
Financial assets at fair value through other comprehensive income	2,040,432	5,553,064	9,141,914	29,393,351	-	46,128,761
Financial assets at amortized cost	143,666,302	432,965,972	365,207,805	648,007,796	4,336,448	1,594,184,323
Refundable deposits - bonds	7,338,773	-	-	159,346	-	7,498,119
	<u>\$ 218,410,233</u>	<u>\$ 448,555,071</u>	<u>\$ 392,431,504</u>	<u>\$ 679,971,285</u>	<u>\$ 4,336,448</u>	<u>\$ 1,743,704,541</u>
Proportion	<u>12.53%</u>	<u>25.72%</u>	<u>22.50%</u>	<u>39.00%</u>	<u>0.25%</u>	<u>100.00%</u>

June 30, 2023

Financial Assets	Taiwan	Asia	Europe	America	Global	Total
Cash and cash equivalents	\$ 42,098,867	\$ 7,593,698	\$ 4,430,694	\$ -	\$ -	\$ 54,123,259
Financial assets at fair value through profit or loss	27,245,131	7,948,171	9,097,026	2,256,431	-	46,546,759
Financial assets at fair value through other comprehensive income	2,537,698	3,882,063	7,730,892	26,086,149	-	40,236,802
Financial assets at amortized cost	150,140,706	434,260,351	365,404,245	643,938,879	4,619,535	1,598,363,716
Refundable deposits - bonds	7,338,032	-	-	9,858,232	-	17,196,264
	<u>\$ 229,360,434</u>	<u>\$ 453,684,283</u>	<u>\$ 386,662,857</u>	<u>\$ 682,139,691</u>	<u>\$ 4,619,535</u>	<u>\$ 1,756,466,800</u>
Proportion	<u>13.06%</u>	<u>25.83%</u>	<u>22.01%</u>	<u>38.84%</u>	<u>0.26%</u>	<u>100.00%</u>

- b) KGI Life Insurance's regional distribution of credit risk exposure for loans (excluding policy loans and automatic premium loans) is as follows:

June 30, 2024

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	\$ 73,572	\$ 29,811	\$ 37,052	\$ 140,435
Overdue receivables	-	-	-	-
	<u>\$ 73,572</u>	<u>\$ 29,811</u>	<u>\$ 37,052</u>	<u>\$ 140,435</u>
Proportion	<u>52.39%</u>	<u>21.23%</u>	<u>26.38%</u>	<u>100.00%</u>

December 31, 2023

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	\$ 86,383	\$ 38,249	\$ 47,836	\$ 172,468
Overdue receivables	-	-	-	-
	<u>\$ 86,383</u>	<u>\$ 38,249</u>	<u>\$ 47,836</u>	<u>\$ 172,468</u>
Proportion	<u>50.09%</u>	<u>22.18%</u>	<u>27.73%</u>	<u>100.00%</u>

June 30, 2023

Location	Northern Areas: Taipei and Eastern Counties	Central Area: Taichung to Changhua and Nantou	Southern Area: Counties Below Tainan	Total
Secured loans	\$ 112,855	\$ 45,335	\$ 59,759	\$ 217,949
Overdue receivables	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 112,855</u>	<u>\$ 45,335</u>	<u>\$ 59,759</u>	<u>\$ 217,949</u>
Proportion	<u>51.78%</u>	<u>20.80%</u>	<u>27.42%</u>	<u>100.00%</u>

3) Disclosure of total book value and allowance loss for financial assets' expected credit loss

The reconciliation statement of loss allowance for financial assets measured at FVTOCI for the six months ended June 30, 2024 and 2023 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized in Accordance with IFRS 9
January 1, 2024	\$ 4,278	\$ -	\$ -	\$ 4,278
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(828)	-	-	(828)
Addition	229	-	-	229
Change in model/risk parameters	(218)	-	-	(218)
Change in exchange rate and others	<u>179</u>	<u>-</u>	<u>-</u>	<u>179</u>
June 30, 2024	<u>\$ 3,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,640</u>

(Continued)

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized in Accordance with IFRS 9
January 1, 2023	\$ -	\$ -	\$ -	\$ -
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	-	-	-	-
Addition	3,291	-	-	3,291
Change in model/risk parameters	-	-	-	-
Change in exchange rate and others	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
June 30, 2023	<u>\$ 3,291</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,291</u> (Concluded)

The reconciliation statement of loss allowance for financial assets measured at amortized cost for the six months ended June 30, 2024 and 2023 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit risk Has Been Impaired)	Impairment Recognized in Accordance with IFRS 9
January 1, 2024	\$ 223,423	\$ 64,130	\$ 1,175,793	\$ 1,463,346
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	64,130	(64,130)	-	-
				(Continued)

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit risk Has Been Impaired)	Impairment Recognized in Accordance with IFRS 9
Change to duration expected credit loss	\$ -	\$ -	\$ -	\$ -
Change to credit impairment of financial assets	-	-	-	-
Disposal	(2,176)	-	(2,627)	(4,803)
Addition	1,081	-	17	1,098
Changes in model/risk parameters	(75,656)	-	27,656	(48,000)
Changes in exchange rate and others	<u>10,439</u>	<u>-</u>	<u>67,005</u>	<u>77,444</u>
June 30, 2024	<u>\$ 221,241</u>	<u>\$ -</u>	<u>\$ 1,267,844</u>	<u>\$ 1,489,085</u>
January 1, 2023	\$ 222,287	\$ 75,661	\$ 1,130,258	\$ 1,428,206
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(3,427)	(3)	(2,429)	(5,859)
Addition	2,628	-	14	2,642
Changes in model/risk parameters	(18,678)	(5,527)	26,478	2,273
Changes in exchange rate and others	<u>2,272</u>	<u>975</u>	<u>16,051</u>	<u>19,298</u>
June 30, 2023	<u>\$ 205,082</u>	<u>\$ 71,106</u>	<u>\$ 1,170,372</u>	<u>\$ 1,446,560</u> (Concluded)

The reconciliation statement of other receivables related to financial asset measured at FVTCOI and financial assets measured at amortized cost for the six months ended June 30, 2024 and 2023 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Impairment Recognized in Accordance with IFRS 9
January 1, 2024	\$ 2,227	\$ 539	\$ 1,407,955	\$ 1,410,721
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	539	(539)	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(274)	-	-	(274)
Addition	166	-	387,539	387,705
Changes in model/risk parameters	(628)	-	-	(628)
Changes in exchange rate and others	<u>97</u>	<u>-</u>	<u>78,564</u>	<u>78,661</u>
June 30, 2024	<u>\$ 2,127</u>	<u>\$ -</u>	<u>\$ 1,874,058</u>	<u>\$ 1,876,185</u>
January 1, 2023	\$ 2,108	\$ 636	\$ 669,151	\$ 671,895
Change due to financial assets recognized at the beginning of the period				
Change to 12 months expected credit loss	-	-	-	-
Change to duration expected credit loss	-	-	-	-
Change to credit impairment of financial assets	-	-	-	-
Disposal	(288)	-	-	(288)
Addition	214	-	371,834	372,048
Changes in model/risk parameters	(166)	(48)	-	(214)
Changes in exchange rate and others	<u>20</u>	<u>8</u>	<u>9,305</u>	<u>9,333</u>
June 30, 2023	<u>\$ 1,888</u>	<u>\$ 596</u>	<u>\$ 1,050,290</u>	<u>\$ 1,052,774</u>

For the six months ended June 30, 2024 and 2023, the changes in debt investments allowance loss measured at amortized cost and at fair value through other comprehensive income result from the variation of allowance loss parameter which is affected by recent financial environment, and forward - looking factors, follow as disposals and new additions.

The expected credit loss rate measuring the amount of allowance loss of the investment in debt instruments of financial assets and other related receivables are as follows:

June 30, 2024

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)
Measured fair value through other comprehensive income	0.00%-0.03%	-	-
Measured at amortized cost	0.00%-0.20%	-	5.74%-9.21%
Other receivables	0.00%-0.20%	-	100%

December 31, 2023

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)
Measured fair value through other comprehensive income	0.00%-0.03%	-	-
Measured at amortized cost	0.00%-0.22%	2.26%-2.41%	5.57%-9.02%
Other receivables	0.00%-0.22%	2.26%-2.41%	100%

June 30, 2023

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)
Measured fair value through other comprehensive income	0.00%-0.01%	-	-
Measured at amortized cost	0.00%-0.08%	2.43%-2.68%	5.44%-8.85%
Other receivables	0.00%-0.08%	2.43%-2.68%	100%

KGI Life Insurance has considered the impact of the war between Russia and Ukraine and has made appropriate provision for impairment. KGI Life Insurance will continue to the follow-up on the development of the conflict and take the impact of this incident into consideration when evaluating the expected credit losses of relevant financial assets.

Changes in allowance losses of guarantee loans for the six months ended June 30, 2024 and 2023 were as follows:

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss - Collective	Lifetime Expected Credit Loss - Individual	Impairment Recognized in Accordance with IFRS 9	Difference of Impairment Recognized in Accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts By Insurance Enterprises	Total
January 1, 2024	\$ 2	\$ 101	\$ 53	\$ 156	\$ 2,573	\$ 2,729
Change due to financial assets recognized at the beginning of the period						
Change to duration expected credit loss	-	-	-	-	-	-
Change to 12 months expected credit loss	-	-	-	-	-	-
Disposal	-	-	-	-	-	-
Difference of impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-	-	-	(476)	(476)
Changes in exchange rate and others	-	480	(4)	476	-	476
June 30, 2024	<u>\$ 2</u>	<u>\$ 581</u>	<u>\$ 49</u>	<u>\$ 632</u>	<u>\$ 2,097</u>	<u>\$ 2,729</u>
January 1, 2023	\$ 4	\$ 146	\$ 328	\$ 478	\$ 3,793	\$ 4,271
Change due to financial assets recognized at the beginning of the period						
Change to duration expected credit loss	-	-	-	-	-	-
Change to 12 months expected credit loss	-	-	-	-	-	-
Disposal	-	-	(27)	(27)	-	(27)
Difference of impairment recognized in accordance with Guidelines for Handling Assessment of Assets, Loans Overdue, Receivable on Demand and Bad Debts by Insurance Enterprises	-	-	-	-	(736)	(736)
Changes in exchange rate and others	-	788	(25)	763	-	763
June 30, 2023	<u>\$ 4</u>	<u>\$ 934</u>	<u>\$ 276</u>	<u>\$ 1,214</u>	<u>\$ 3,057</u>	<u>\$ 4,271</u>

The allowance loss of KGI Life Insurance's accounts receivables arising from other transactions are measured by lifetime expected credit loss. Changes in allowance losses of receivables for the six months ended June 30, 2024 and 2023 are as follows:

	Receivables For the Six Months Ended June 30	
	2024	2023
Beginning balance	\$ 6,287	\$ 5,004
Addition (reversal)	1,310	1,892
Written-off due to uncollectable	-	-
Ending balance	<u>\$ 7,597</u>	<u>\$ 6,896</u>

4) The information on the total book value and credit risk ratings of financial assets

- a) Financial assets at fair value through other comprehensive income, financial assets measured at amortized cost and related other receivables

June 30, 2024

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
<u>Investment grade</u>				
Financial assets at fair value through other comprehensive income	\$ 42,255,742	\$ -	\$ -	\$ 42,255,742
Financial assets measured at amortized cost	1,643,832,464	-	-	1,643,832,464
Other receivables	13,295,859	-	-	13,295,859
<u>Non-investment grade</u>				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	7,250,034	-	16,888,026	24,138,060
Other receivables	148,536	-	1,874,059	2,022,595

December 31, 2023

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
<u>Investment grade</u>				
Financial assets at fair value through other comprehensive income	\$ 46,271,401	\$ -	\$ -	\$ 46,271,401
Financial assets measured at amortized cost	1,577,491,606	2,743,733	-	1,580,235,339
Other receivables	13,799,110	23,167	-	13,822,277
<u>Non-investment grade</u>				
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	6,879,509	-	16,030,940	22,910,449
Other receivables	138,213	-	1,407,956	1,546,169

June 30, 2023

	12 Months Expected Credit Loss	Lifetime Expected Credit Loss (Credit Risk Significantly Increase)	Lifetime Expected Credit Loss (Credit Risk Has Been Impaired)	Total
<u>Investment grade</u>				
Financial assets at fair value through other comprehensive income	\$ 40,746,015	\$ -	\$ -	\$ 40,746,015
Financial assets measured at amortized cost	1,591,183,227	2,779,535	-	1,593,962,762
Other receivables	12,572,384	23,469	-	12,595,853

Non-investment grade

Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets measured at amortized cost	6,768,532	-	16,275,246	23,043,778
Other receivables	138,269	-	1,050,290	1,188,559

Note 1: Including securities serving as collateral deposits.

Note 2: KGI Life Insurance's investment grade based on rating of the credit rating agencies: Investment grade means credit rating reaches at least BBB-granted by a credit rating agency; non-investment grade means no credit rating or credit rating lower than BBB-granted by a credit rating agency.

b) Guarantee loans and related other receivables

June 30, 2024

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	\$ 142,387	\$ 168
Credit risk significantly increase	Lifetime expected credit loss	-	-
Impairment	Lifetime expected credit loss	<u>777</u>	<u>-</u>
Total book value		<u>\$ 143,164</u>	<u>\$ 168</u>

December 31, 2023

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	\$ 174,363	\$ 211
Credit risk significantly increase	Lifetime expected credit loss	-	-
Impairment	Lifetime expected credit loss	<u>834</u>	<u>-</u>
Total book value		<u>\$ 175,197</u>	<u>\$ 211</u>

June 30, 2023

Credit Risk Ratings	Measurement of Expected Credit Loss	Guarantee Loans	Other Receivables
Low credit risk	12 months expected credit loss	\$ 217,382	\$ 249
Credit risk significantly increase	Lifetime expected credit loss	489	3
Impairment	Lifetime expected credit loss	<u>4,349</u>	<u>8</u>
Total book value		<u>\$ 222,220</u>	<u>\$ 260</u>

c. Liquidity risk

KGI Bank and subsidiaries

1) The source and definition of liquidity risk

Liquidity risk of KGI Bank refers to the risks of bearing profit or capital loss because of the inability to obtain funds with reasonable price to meet the financial obligation with a reasonable time, such as early termination of deposits, deteriorating of the source and condition of financing from banks influenced by specific market, abnormal recover of funds due to default from borrowers, inability to liquidate financial instruments and early exertion of rights of rescission of interest sensitive product by the assured. The aforementioned situation may reduce cash source of loan, transactions and investment. In some extreme cases, the lack of liquidity may result in a decrease in the overall position of the balance sheet, sale of assets and failure to perform loan commitments.

2) Management policy of liquidity risk

KGI Bank's liquidity risk management uses gap limit management strategy, which is the net cumulative mismatch of inflows and outflows, and calculates the maximum cumulative cash outflow (MCO) to monitor the daily funding gap by each currency as a basis for controlling the liquidity risk. For Liquidity gap management, KGI Bank also actively deconcentrates funding sources, distributes the fund maturity date based on the gap report, disperses the call loans (lending) from counterparties and increases the renewal rate of enterprises' deposits to enhance the stability of the resources of funds.

3) Maturity analysis of financial assets and non-derivative financial liabilities held for liquidity risk management

a) Financial assets held for liquidity management

KGI Bank holds cash and highly liquid and high-grade profit-generating assets to pay off obligations and meet any potential emergency funding needs in the market environment. The assets held for liquidity management include cash and cash equivalents, due from the Central Bank and call loans to banks, financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, securities purchased under resell agreements, accounts receivable, and discounts and loans, etc.

b) Maturity analysis of non-derivative financial liabilities

The following tables show the cash outflows on the KGI Bank's non-derivative financial liabilities based on the remaining period from the balance sheet date to the maturity date of the contract. However, because the amounts disclosed were based on contractual cash flows, some of them will not match the amounts shown in the balance sheets.

Maturity analysis of KGI Bank's non-derivative financial liabilities in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ -	\$ -	\$ 157,260	\$ 23,296	\$ -	\$ 180,556
Notes and bonds issued under repurchase agreements	10,257,156	916,066	-	-	-	11,173,222
Deposits and remittances	55,528,938	107,914,296	68,853,066	116,341,658	39,711,040	388,348,998
Loans payable	-	-	-	-	27,270,000	27,270,000
Other capital outflow on maturity	1,391,461	520,053	414,738	2,425,510	3,195,894	7,947,656
Total	\$ 67,177,555	\$ 109,350,415	\$ 69,425,064	\$ 118,790,464	\$ 70,176,934	\$ 434,920,432

(In Thousands of New Taiwan Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 3,623,296	\$ -	\$ -	\$ 157,260	\$ -	\$ 3,780,556
Notes and bonds issued under repurchase agreements	8,698,692	-	-	-	-	8,698,692
Deposits and remittances	55,272,822	73,546,061	62,980,713	111,858,526	36,810,638	340,468,760
Loans payable	-	-	700,000	-	26,263,333	26,963,333
Other capital outflow on maturity	2,626,137	384,345	432,566	3,655,769	3,320,676	10,419,493
Total	\$ 70,220,947	\$ 73,930,406	\$ 64,113,279	\$ 115,671,555	\$ 66,394,647	\$ 390,330,834

(In Thousands of New Taiwan Dollars)

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 600,000	\$ -	\$ 157,260	\$ 23,296	\$ -	\$ 780,556
Notes and bonds issued under repurchase agreements	8,337,203	-	-	-	-	8,337,203
Deposits and remittances	62,111,068	77,284,412	91,976,162	109,230,778	36,498,048	377,100,468
Loans payable	-	-	333,333	700,000	25,536,667	26,570,000
Other capital outflow on maturity	1,455,226	447,934	477,856	2,227,167	3,571,786	8,179,969
Total	\$ 72,503,497	\$ 77,732,346	\$ 92,944,611	\$ 112,181,241	\$ 65,606,501	\$ 420,968,196

Maturity analysis of KGI Bank's non-derivative financial liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 10,000	\$ 149,000	\$ -	\$ -	\$ -	\$ 159,000
Notes and bonds issued under repurchase agreements	258,726	257,352	889,944	-	-	1,406,022
Deposits and remittances	1,445,612	1,978,661	999,312	1,267,533	3,746	5,694,864
Other capital outflow on maturity	26,302	31,818	22,436	3,865	8,736	93,157
Total	\$ 1,740,640	\$ 2,416,831	\$ 1,911,692	\$ 1,271,398	\$ 12,482	\$ 7,353,043

(In Thousands of U.S. Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 100,000	\$ -	\$ -	\$ -	\$ -	\$ 100,000
Notes and bonds issued under repurchase agreements	298,098	-	587,875	-	-	885,973
Deposits and remittances	1,619,948	1,822,766	1,292,314	1,576,855	6,067	6,317,950
Other capital outflow on maturity	73,896	46,193	26,474	4,537	83,522	234,622
Total	\$ 2,091,942	\$ 1,868,959	\$ 1,906,663	\$ 1,581,392	\$ 89,589	\$ 7,538,545

(In Thousands of U.S. Dollars)

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Deposits from the Central Bank and banks	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ 10,000
Notes and bonds issued under repurchase agreements	248,678	181,095	488,731	-	-	918,504
Deposits and remittances	1,430,739	1,846,642	769,750	1,856,644	3,063	5,906,838
Other capital outflow on maturity	59,329	34,386	13,695	6,717	21,756	135,883
Total	\$ 1,748,746	\$ 2,062,123	\$ 1,272,176	\$ 1,863,361	\$ 24,819	\$ 6,971,225

4) Maturity analysis of derivative financial instruments

The valuation of the maturity of the contracts is essential for presenting the financial instruments on the balance sheet. The amount disclosed in the balance sheet is prepared based on the cash flows of the contract. Thus, a part of the amount disclosed deviates from the balance sheet.

Maturity analysis of KGI Bank's derivative financial instruments in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (197,174,182)	\$ (303,511,563)	\$ (197,158,586)	\$ (145,824,582)	\$ (4,011,150)	\$ (847,680,063)
Cash inflow	195,885,021	295,012,179	173,883,568	125,693,046	4,082,250	794,556,064
Interest rate derivatives instruments						
Cash outflow	(301,660)	(602,391)	(113,073)	-	(21,805,008)	(22,822,132)
Cash inflow	456,954	543,488	106,730	-	-	1,107,172
Others						
Cash outflow	(514)	-	-	-	-	(514)
Cash inflow	-	-	-	-	-	-
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(61,467)	-	-	-	(61,467)
Cash inflow	-	39,914	-	80,765	-	120,679
Cash outflow subtotal	(197,476,356)	(304,175,421)	(197,271,659)	(145,824,582)	(25,816,158)	(870,564,176)
Cash inflow subtotal	196,341,975	295,595,581	173,990,298	125,773,811	4,082,250	795,783,915
Net cash flow	\$ (1,134,381)	\$ (8,579,840)	\$ (23,281,361)	\$ (20,050,771)	\$ (21,733,908)	\$ (74,780,261)

(In Thousands of New Taiwan Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (247,346,473)	\$ (357,827,293)	\$ (197,160,030)	\$ (51,215,570)	\$ (4,457,110)	\$ (858,006,476)
Cash inflow	223,894,441	329,846,705	202,847,428	43,550,175	3,559,260	803,698,009
Interest rate derivatives instruments						
Cash outflow	(362,820)	(579,060)	(52,050)	-	(22,163,586)	(23,157,516)
Cash inflow	260,457	529,826	42,797	1,857	-	834,937
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(59,068)	-	-	-	(59,068)
Cash inflow	-	80,853	3,896	39,914	-	124,663
Cash outflow subtotal	(247,709,293)	(358,465,421)	(197,212,080)	(51,215,570)	(26,620,696)	(881,223,060)
Cash inflow subtotal	224,154,898	330,457,384	202,894,121	43,591,946	3,559,260	804,657,609
Net cash flow	\$ (23,554,395)	\$ (28,008,037)	\$ 5,682,041	\$ (7,623,624)	\$ (23,061,436)	\$ (76,565,451)

(In Thousands of New Taiwan Dollars)

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (169,000,720)	\$ (264,990,403)	\$ (235,116,506)	\$ (103,768,086)	\$ (1,489,100)	\$ (774,364,815)
Cash inflow	184,340,788	273,806,266	215,520,610	78,494,597	537,836	752,700,097
Interest rate derivatives instruments						
Cash outflow	(310,105)	(580,569)	(19,250)	-	(22,289,687)	(23,199,611)
Cash inflow	392,858	519,891	20,110	-	1,857	934,716
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	-	(59,240)	-	-	-	(59,240)
Cash inflow	-	39,696	-	84,749	-	124,445
Cash outflow subtotal	(169,310,825)	(265,630,212)	(235,135,756)	(103,768,086)	(23,778,787)	(797,623,666)
Cash inflow subtotal	184,733,646	274,365,853	215,540,720	78,579,346	539,693	753,759,258
Net cash flow	\$ 15,422,821	\$ 8,735,641	\$ (19,595,036)	\$ (25,188,740)	\$ (23,239,094)	\$ (43,864,408)

Maturity analysis of KGI Bank's derivative financial instruments in U.S. dollars

(In Thousands of U.S. Dollars)

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (8,093,440)	\$ (11,048,558)	\$ (5,796,907)	\$ (4,387,864)	\$ (140,000)	\$ (29,466,769)
Cash inflow	8,881,050	11,315,325	6,622,469	5,026,698	140,000	31,985,542
Interest rate derivatives instruments						
Cash outflow	(15,041)	(31,396)	(13,404)	(15,773)	(492,145)	(567,759)
Cash inflow	3,411	14,241	2,331	894	165	21,042
Others						
Cash outflow	(1,390)	-	-	-	-	(1,390)
Cash inflow	971	-	-	-	-	971
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(469)	(4,551)	(3,168)	(12,625)	-	(20,813)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(8,110,340)	(11,084,505)	(5,813,479)	(4,416,262)	(632,145)	(30,056,731)
Cash inflow subtotal	8,885,432	11,329,566	6,624,800	5,027,592	140,165	32,007,555
Net cash flow	\$ (775,092)	\$ 245,061	\$ 811,321	\$ 611,330	\$ (491,980)	\$ 1,950,824

(In Thousands of U.S. Dollars)

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (8,287,630)	\$ (11,254,792)	\$ (7,087,053)	\$ (1,788,597)	\$ (130,228)	\$ (28,548,300)
Cash inflow	9,112,005	12,799,175	7,090,356	1,961,756	163,228	31,126,520
Interest rate derivatives instruments						
Cash outflow	(17,563)	(30,352)	(14,445)	(20,658)	(459,669)	(542,687)
Cash inflow	3,534	14,590	1,554	2,832	60	22,570
Others						
Cash outflow	(1,054)	-	-	-	-	(1,054)
Cash inflow	1,723	-	-	-	-	1,723
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(1,307)	(3,923)	(6,711)	(8,396)	-	(20,337)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(8,307,554)	(11,289,067)	(7,108,209)	(1,817,651)	(589,897)	(29,112,378)
Cash inflow subtotal	9,117,262	12,813,765	7,091,910	1,964,588	163,288	31,150,813
Net cash flow	\$ 809,708	\$ 1,524,698	\$ (16,299)	\$ 146,937	\$ (426,609)	\$ 2,038,435

(In Thousands of U.S. Dollars)

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Derivative financial instruments at fair value through profit or loss						
Foreign exchange derivatives instruments						
Cash outflow	\$ (7,567,019)	\$ (9,840,697)	\$ (7,698,458)	\$ (3,356,282)	\$ (44,241)	\$ (28,506,697)
Cash inflow	7,149,782	10,066,752	8,505,610	4,287,029	75,241	30,084,414
Interest rate derivatives instruments						
Cash outflow	(12,711)	(41,114)	(13,976)	(29,212)	(423,852)	(520,865)
Cash inflow	2,781	11,884	4,089	3,444	1,570	23,768
Others						
Cash outflow	(1,730)	-	-	-	-	(1,730)
Cash inflow	2,237	-	-	-	-	2,237
Financial instruments for hedging						
Interest rate derivatives instruments						
Cash outflow	(395)	(3,210)	(2,986)	(13,574)	-	(20,165)
Cash inflow	-	-	-	-	-	-
Cash outflow subtotal	(7,581,855)	(9,885,021)	(7,715,420)	(3,399,068)	(468,093)	(29,049,457)
Cash inflow subtotal	7,154,800	10,078,636	8,509,699	4,290,473	76,811	30,110,419
Net cash flow	\$ (427,055)	\$ 193,615	\$ 794,279	\$ 891,405	\$ (391,282)	\$ 1,060,962

5) Maturity analysis of off-balance sheet items

The table below shows KGI Bank's maturity analysis of the off-balance sheet items based on the remaining time between the reporting date and the contractual period. For the issued financial guarantee contracts, the maximum guaranteed amount included in the guarantee may be required to be fulfilled in the earliest period.

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	\$ 11,767,864	\$ 7,332,791	\$ 3,153,323	\$ 4,907,697	\$ 22,748,298	\$ 49,909,973

December 31, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	\$ 10,934,968	\$ 5,726,275	\$ 3,386,863	\$ 5,195,508	\$ 18,493,768	\$ 43,737,382

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Irrevocable loan commitments, guarantees and letters of credit	\$ 12,256,587	\$ 6,086,528	\$ 5,332,756	\$ 5,993,548	\$ 20,099,882	\$ 49,769,301

6) Disclosures required by the Regulations Governing the Preparation of Financial Reports by Public Banks

a) Maturity analysis of KGI Bank's assets and liabilities in New Taiwan dollars

(In Thousands of New Taiwan Dollars)

June 30, 2024	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	\$ 129,836,431	\$ 196,077,583	\$ 358,247,818	\$ 217,861,187	\$ 186,512,737	\$ 275,647,132	\$ 1,364,182,888
Main capital outflow on maturity	99,099,470	191,906,069	462,898,788	309,259,352	320,841,928	323,013,985	1,707,019,592
Gap	30,736,961	4,171,514	(104,650,970)	(91,398,165)	(134,329,191)	(47,366,853)	(342,836,704)

(In Thousands of New Taiwan Dollars)

June 30, 2023	0-10 Days	11-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	\$ 157,886,411	\$ 174,087,152	\$ 335,304,412	\$ 254,560,757	\$ 137,276,464	\$ 218,200,098	\$ 1,277,315,294
Main capital outflow on maturity	98,847,657	165,597,897	386,044,848	366,217,790	268,038,894	301,170,808	1,585,917,894
Gap	59,038,754	8,489,255	(50,740,436)	(111,657,033)	(130,762,430)	(82,970,710)	(308,602,600)

b) Maturity analysis of KGI Bank's assets and liabilities in U.S. dollars

(In Thousands of U.S. Dollars)

June 30, 2024	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	\$ 9,511,276	\$ 11,767,675	\$ 7,069,914	\$ 5,528,140	\$ 3,557,414	\$ 37,434,419
Main capital outflow on maturity	10,105,642	14,010,661	8,329,663	6,746,443	3,380,767	42,573,176
Gap	(594,366)	(2,242,986)	(1,259,749)	(1,218,303)	176,647	(5,138,757)

(In Thousands of U.S. Dollars)

June 30, 2023	0-30 Days	31-90 Days	91-180 Days	181 Days-1 Year	Over 1 Year	Total
Main capital inflow on maturity	\$ 8,315,897	\$ 10,786,595	\$ 8,737,013	\$ 4,636,043	\$ 3,552,367	\$ 36,027,915
Main capital outflow on maturity	9,636,294	12,558,527	9,701,280	6,498,254	3,703,617	42,097,972
Gap	(1,320,397)	(1,771,932)	(964,267)	(1,862,211)	(151,250)	(6,070,057)

KGI Securities and subsidiaries

1) Cash flow analysis

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

June 30, 2024	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	\$ 12,342,280	\$ 13,883,448	\$ 3,465,186	\$ -	\$ -	\$ 29,690,914
Financial assets measured at FVTPL - current	126,463,847	945,115	2,030,340	1,479,606	230,939	131,149,847
Financial assets measured at FVTOCI - current	22,993,333	8,816,813	762,044	961,868	-	33,534,058
Financial assets for hedging - current	-	31,616	54,307	70,473	129,679	286,075
Securities purchased under resell agreements	-	20,056,550	-	-	-	20,056,550
Receivables	75,819,877	17,434,365	55,988,673	45,163	-	149,288,078
Customer margin accounts	44,588,062	20,885,548	-	-	-	65,473,610
Stock borrowing collateral price and security lending deposits	167,747	8,963,041	34,488,345	-	-	43,619,133
Other current assets	38,187,695	1,721,946	1,077,400	9,371	-	40,996,412
Financial assets measured at FVTPL - non-current	-	-	-	576,065	3,487,935	4,064,000
Financial assets measured at FVTOCI - non-current	-	-	-	9,115,289	2,181,522	11,296,811
Amortized cost financial assets - non-current	-	-	-	162,250	-	162,250
Other non-current assets	100	-	1,000	46,912	3,715,029	3,763,041
Total	\$ 320,562,941	\$ 92,738,442	\$ 97,867,295	\$ 12,466,997	\$ 9,745,104	\$ 533,380,779
Percentage	60.10%	17.39%	18.35%	2.33%	1.83%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

June 30, 2024	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	\$ -	\$ 24,335,124	\$ 600,000	\$ -	\$ -	\$ 24,935,124
Commercial paper payable	-	58,789,787	1,401,933	-	-	60,191,720
Financial liabilities measured at FVTPL - current	10,025,546	5,338,178	5,529,390	8,569,609	5,195,599	34,658,322
Bonds issued under repurchase agreements	-	103,533,301	-	-	-	103,533,301
Payables	85,683,669	11,182,443	3,487,318	-	-	100,353,430
Guarantee deposits received from security lending	-	11,305,885	47,604,642	-	-	58,910,527
Futures customers' equity	44,190,317	19,945,400	-	-	-	64,135,717
Specialized, sub-account customers' equity	13,820,039	-	-	-	-	13,820,039
Amounts collected for others/other payables/other current liabilities	1,850,059	1,090,657	4,758,356	1,881	790	7,701,743
Other financial liabilities - current	-	7,140,973	59,421	1,426	3,215	7,205,035
Lease liabilities-current	-	97,290	271,930	-	-	369,220
Current portion of long-term liabilities	-	-	2,600,000	-	-	2,600,000
Bonds payable	-	-	-	6,300,000	3,000,000	9,300,000
Lease liabilities - non-current	-	-	-	716,869	37,557	754,426
Other non-current liabilities	-	34	-	485,470	79,850	563,354
Total	\$ 155,569,630	\$ 242,759,072	\$ 66,312,990	\$ 16,075,255	\$ 8,317,011	\$ 489,033,958
Percentage	31.81%	49.64%	13.56%	3.29%	1.70%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

June 30, 2024	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	\$ 320,562,941	\$ 92,738,442	\$ 97,867,295	\$ 12,466,997	\$ 9,745,104	\$ 533,380,779
Cash outflow	155,569,630	242,759,072	66,312,990	16,075,255	8,317,011	489,033,958
Amount of cash flow gap	\$ 164,993,311	\$ (150,020,630)	\$ 31,554,305	\$ (3,608,258)	\$ 1,428,093	\$ 44,346,821

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

December 31, 2023	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	\$ 10,037,260	\$ 9,520,318	\$ 2,923,691	\$ -	\$ -	\$ 22,481,269
Financial assets measured at FVTPL - current	76,963,679	1,129,294	1,004,377	936,684	578,656	80,612,690
Financial assets measured at FVTOCI - current	27,599,150	3,722,283	1,964,654	-	-	33,286,087
Financial assets for hedging - current	-	5,844	24,409	89,245	120,396	239,894
Securities purchased under resell agreements	-	13,170,322	-	-	-	13,170,322
Receivables	47,576,229	20,235,947	39,192,357	25,767	-	107,030,300
Customer margin accounts	36,415,662	17,313,993	-	-	-	53,729,655
Stock borrowing collateral price and security lending deposits	830,337	6,787,630	32,435,987	-	-	40,053,954
Other current assets	35,637,707	1,623,995	908,831	10,598	-	38,181,131
Financial assets measured at FVTPL - non-current	-	-	-	729,806	3,269,791	3,999,597
Financial assets measured at FVTOCI - non-current	-	-	-	9,613,790	1,462,383	11,076,173
Amortized cost financial assets - non-current	-	-	-	153,675	-	153,675
Other non-current assets	1,000	7	-	45,837	3,416,562	3,463,406
Total	\$ 235,061,024	\$ 73,509,633	\$ 78,454,306	\$ 11,605,402	\$ 8,847,788	\$ 407,478,153
Percentage	57.69%	18.04%	19.25%	2.85%	2.17%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

December 31, 2023	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	\$ -	\$ 17,638,644	\$ -	\$ -	\$ -	\$ 17,638,644
Commercial paper payable	-	16,090,485	9,960	-	-	16,100,445
Financial liabilities measured at FVTPL - current	7,846,978	5,767,223	5,733,971	6,542,240	2,920,190	28,810,602
Financial liabilities for hedging - current	-	(23,560)	(18,902)	120,117	27,536	105,191
Bonds issued under repurchase agreements	-	87,999,165	-	-	-	87,999,165
Payables	58,544,804	14,513,175	4,203,477	-	-	77,261,456
Guarantee deposits received from security lending	-	13,081,865	37,456,994	-	-	50,538,859
Futures customers' equity	36,010,210	15,444,771	-	-	-	51,454,981
Specialized, sub-account customers' equity	12,648,551	-	-	-	-	12,648,551
Amounts collected for others/other payables/other current liabilities	1,637,643	1,231,265	5,029,805	1,873	796	7,901,382
Other financial liabilities - current	-	1,056,144	785,763	1,086	1,992	1,844,985
Lease liabilities - current	-	93,196	270,171	-	-	363,367
Current portion of long-term liabilities	-	-	2,600,000	-	-	2,600,000
Bonds payable	-	-	-	6,300,000	-	6,300,000
Lease liabilities - non-current	-	-	-	784,968	47,709	832,677
Other non-current liabilities	-	-	-	523,765	74,574	598,339
Total	\$ 116,688,186	\$ 172,892,373	\$ 56,071,239	\$ 14,274,049	\$ 3,072,797	\$ 362,998,644
Percentage	32.15%	47.62%	15.45%	3.93%	0.85%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

December 31, 2023	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	\$ 235,061,024	\$ 73,509,633	\$ 78,454,306	\$ 11,605,402	\$ 8,847,788	\$ 407,478,153
Cash outflow	116,688,186	172,892,373	56,071,239	14,274,049	3,072,797	362,998,644
Amount of cash flow gap	\$ 118,372,838	\$ (99,382,740)	\$ 22,383,067	\$ (2,668,647)	\$ 5,774,991	\$ 44,479,509

Statement of Cash Flow Analysis for Financial Assets

(In Thousands of New Taiwan Dollars)

June 30, 2023	Collection Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash and cash equivalents	\$ 10,167,514	\$ 11,337,814	\$ 2,026,585	\$ -	\$ -	\$ 23,531,913
Financial assets measured at FVTPL - current	89,746,924	1,273,785	2,007,645	1,473,577	559,425	95,061,356
Financial assets measured at FVTOCI - current	28,990,450	1,532,930	3,323,736	-	-	33,847,116
Financial assets for hedging - current	-	42,863	46,256	328,173	2,072	419,364
Securities purchased under resell agreements	-	11,444,483	-	-	-	11,444,483
Receivables	54,801,621	18,693,890	30,405,273	28,289	-	103,929,073
Customer margin accounts	36,348,180	27,134,541	-	-	-	63,482,721
Stock borrowing collateral price and security lending deposits	701,524	20,820,294	12,026,577	-	-	33,548,395
Other current assets	35,041,941	1,219,082	1,195,934	7,917	-	37,464,874
Financial assets measured at FVTPL - non-current	-	-	-	491,266	3,111,013	3,602,279
Financial assets measured at FVTOCI - non-current	-	-	-	10,845,194	1,270,775	12,115,969
Other non-current assets	-	-	1,007	45,441	3,677,524	3,723,972
Total	\$ 255,798,154	\$ 93,499,682	\$ 51,033,013	\$ 13,219,857	\$ 8,620,809	\$ 422,171,515
Percentage	60.59%	22.15%	12.09%	3.13%	2.04%	100.00%

Statement of Cash Flow Analysis for Financial Liabilities

(In Thousands of New Taiwan Dollars)

June 30, 2023	Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Short-term borrowings	\$ -	\$ 19,887,874	\$ 155,675	\$ -	\$ -	\$ 20,043,549
Commercial paper payable	-	24,627,785	-	-	-	24,627,785
Financial liabilities measured at FVTPL - current	6,988,169	6,597,996	5,930,831	9,374,215	3,542,439	32,433,650
Financial liabilities for hedging - current	-	31,358	14,566	31,474	11,337	88,735
Bonds issued under repurchase agreements	-	86,515,318	-	-	-	86,515,318
Payables	71,900,113	12,465,649	3,918,562	-	-	88,284,324
Guarantee deposits received from security lending	-	5,872,137	34,013,773	-	-	39,885,910
Futures customers' equity	35,904,258	27,296,689	-	-	-	63,200,947
Specialized, sub-account customers' equity	5,984,194	-	-	-	-	5,984,194
Amounts collected for others/other payables/other current liabilities	1,049,398	975,017	4,451,693	1,960	867	6,478,935
Other financial liabilities - current	-	2,038,452	1,358,757	1,364	2,110	3,400,683
Lease liabilities-current	-	135,585	317,240	-	-	452,825
Bonds payable	-	-	-	6,200,000	2,700,000	8,900,000
Lease liabilities - non-current	-	-	-	941,058	69,442	1,010,500
Other non-current liabilities	-	-	35	426,815	66,845	493,695
Total	\$ 121,826,132	\$ 186,443,860	\$ 50,161,132	\$ 16,976,886	\$ 6,393,040	\$ 381,801,050
Percentage	31.91%	48.83%	13.14%	4.45%	1.67%	100.00%

Statement of Capital Liquidation Gap

(In Thousands of New Taiwan Dollars)

June 30, 2023	Collection and Payment Period					Total
	Spot	In 3 Months	3 Months-12 Months	Over 1 Year-5 Years	Over 5 Years	
Cash inflow	\$ 255,798,154	\$ 93,499,682	\$ 51,033,013	\$ 13,219,857	\$ 8,620,809	\$ 422,171,515
Cash outflow	121,826,132	186,443,860	50,161,132	16,976,886	6,393,040	381,801,050
Amount of cash flow gap	\$ 133,972,022	\$ (92,944,178)	\$ 871,881	\$ (3,757,029)	\$ 2,227,769	\$ 40,370,465

KGI Securities has established statement of capital liquidation gap to estimate how all financial assets and liabilities in future cash flows can affect KGI Securities and subsidiaries when it comes to fund dispatching. Cash flow gap statement from June 30, 2024, December 31, 2023 and June 30, 2023, show that the sums from deducting cash outflow from cash inflow are \$44,346,821 thousand, \$44,479,509 thousand and \$40,370,465 thousand, respectively, all indicating sufficient fund liquidity.

Although an analysis of funds gap shows that the cash outflow during partial periods. Net cash inflow calculated from net spot financial assets are sufficient to cover the net cash outflows generated from subsequent periods, an indicator of sufficient fund liquidity.

2) Control mechanism of capital liquidity risk

The independent fund-dispatching department established by KGI Securities takes into consideration the needs of net cash flow and their timings from various departments and predicts future cash flows based on the requests submitted by departments with a need for funds. The department has also established a simulation analysis mechanism for capital flows after considering short-term capital dispatching in Taiwan as well as international or cross-market transactions in order to better predict futures needs of funds and set up contingency measures.

KGI Securities also offers suggestions over a secure amount of reserve fund and reports it to the RMC. The department reviews the standard amount of reserve capital and will take the following action if available capitals are below 120% of the safe reserve amount:

- a) Except all due payments and those whose use of capital cannot be restricted due to the nature of their business, all the requests for capitals from all business departments need to be approved by the fund-dispatching department in order to maintain a safe amount of reserve capital.
- b) Fund-dispatching department will propose contingency measures to the RMC, which includes disposal of low yield or unnecessary assets, expanding repurchase agreements with the Central Bank of Taiwan, financing from securities finance corporations or exploring other fund-raising methods that will increase available funds to KGI Securities.

CDIB Capital Group and subsidiaries

The management of liquidity risk is aimed to deal with financing CDIB Capital Group's operations and mitigate the effects of fluctuations in cash flows by monitoring and maintaining a level of cash and cash equivalents. The management of CDIB Capital Group and its subsidiaries supervise the use of bank financing lines and ensure compliance with the terms of the loan contracts.

Bank borrowings is an important source of liquidity for CDIB Capital and its subsidiaries. For the unused financing amount of CDIB Capital and its subsidiaries, refer to the table below:

Bank Financing	June 30, 2024	December 31, 2023	June 30, 2023
Unsecured bank overdraft facilities, reviewed			
Used amounts	\$ 6,839,745	\$ 4,345,948	\$ 4,822,645
Unused amounts	<u>13,188,005</u>	<u>15,347,377</u>	<u>14,948,680</u>
	<u>\$ 20,027,750</u>	<u>\$ 19,693,325</u>	<u>\$ 19,771,325</u>

CDIB Capital Group's management policies of liquidity risk are as follows:

- 1) Disposal of capital surplus should consider possible future capital requirements, de-concentration of capital sources and reasonable liquidity of liability structure.
- 2) Pursuant to liquidity risk control, CDIB Capital Group uses performance index of financial structure and dispatching of funds to set up a system to monitor daily funding gap.

As of June 30, 2024, December 31, 2023 and June 30, 2023, CDIB Capital Group and its subsidiaries' other financial liabilities were \$0, and the rest of non-derivative financial liabilities are \$9,594,117 thousand, \$7,301,161 thousand and \$7,645,392 thousand, respectively, and were mainly current liabilities.

KGI Life Insurance

- 1) Liquidity risks are classified to “funding liquidity risk” and “market liquidity risk.” “Funding liquidity risk” represents that KGI Life Insurance is not able to obtain sufficient funds at a reasonable funding cost to meet the demands within reasonable time. “Market liquidity risk” represents the risk that KGI Life Insurance sells at loss to meet the demand for cash.

KGI Life Insurance assesses the characteristics of business, monitors short-term cash flows, and constructs the completed mechanism of liquidity risk management. Furthermore, KGI Life Insurance manages market liquidity risk cautiously by considering market trading volumes and adequacy of holding positions with symmetric. To decentralize market risk when investment and to maintain investment each aspect (such as asset category, maturity, region, currency and tools) diversification. Planning emergency financing plan in order to assess how KGI Life Insurance in the long-term illiquid environment still regularly operate to pay emergency and major funding requirements.

KGI Life Insurance regularly monitors market liquidity and formulates plans to use the funds depending on market conditions and funding demand arrangements for liquidity assets portfolio. To deal with possible liquidity risk early, KGI Life Insurance reports duration of assets and liabilities quarterly, creates cash flow model and reviews cash flow status regularly.

- 2) Financial assets held for managing liquidity risk and maturity analysis of non-derivative financial liabilities

- a) Financial assets held for managing liquidity risk

KGI Life Insurance holds cash, highly liquid and superior assets to deal with payment obligation and the potential urgent funds needs to dispatch in the market environment. Financial assets for managing liquidity risk are cash on hand, demand deposits, highly liquid time deposits with insignificant risk of changes in value or highly liquid securities, etc.

- b) Maturity analysis of non-derivative financial liabilities

The analysis of cash outflows to KGI Life Insurance is listed below and based on the residual term from the date of balance sheet to the maturity. The disclosed amount is in accordance with cash flows on contracts, so the partial disclosed items are not the same as related items in the balance sheet.

Non-derivative financial instruments

	June 30, 2024			
	In 1 Year	1-5 Years	Over 5 Years	Total
Payables	\$ 15,767,695	\$ 20,625	\$ -	\$ 15,788,320
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	144,832	388,647	3,697,957	4,231,436

	December 31, 2023			
	In 1 Year	1-5 Years	Over 5 Years	Total
Payables	\$ 14,285,297	\$ 20,903	\$ -	\$ 14,306,200
Bonds payable	-	-	20,000,000	20,000,000
Lease liabilities	147,991	396,225	3,627,254	4,171,470

	June 30, 2023			
	In 1 Year	1-5 Years	Over 5 Years	Total
Payables	\$ 13,029,631	\$ 32,613	\$ -	\$ 13,062,244
Bonds payable	-	-	10,000,000	10,000,000
Lease liabilities	152,346	425,554	3,668,520	4,246,420

c) Maturity analysis of derivative financial liabilities

KGI Life Insurance operates derivatives including foreign exchange derivative instruments (such as currency forward contracts, foreign exchange forward).

KGI Life Insurance has enough operating capital, including cash and cash equivalents, and highly liquid securities, such as government bonds to pay the investment and liabilities at maturity. Therefore, the risk of liquidity is extremely low. KGI Life Insurance enters into forward contracts and cross currency swaps derivative financial instruments, whose currencies are highly liquid, so the possibility of selling out and the risk of market liquidity are low. The forward contracts and cross currency swaps will be operated continually and the capital is enough to pay for settlement, so the risk of capital liquidity is low.

KGI Life Insurance's maturity structure of derivative financial liabilities is as follows:

	June 30, 2024				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	<u>\$ 9,722,766</u>	<u>\$ 5,246,997</u>	<u>\$ 3,622,069</u>	<u>\$ -</u>	<u>\$ 18,591,832</u>
	December 31, 2023				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	<u>\$ 5,424,429</u>	<u>\$ 141,855</u>	<u>\$ 45,853</u>	<u>\$ -</u>	<u>\$ 5,612,137</u>
	June 30, 2023				
	In 90 Days	91-180 Days	181 Days - 1 Year	Over 1 Year	Total
Financial liabilities at fair value through profit or loss	<u>\$ 13,133,405</u>	<u>\$ 7,632,079</u>	<u>\$ 1,341,157</u>	<u>\$ -</u>	<u>\$ 22,106,641</u>

d. Market risk

KGI Bank and subsidiaries

1) Source and definition of market risk

Market risk is defined as an unfavorable change in macroeconomic and financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss on balance sheet and off-balance sheet items.

2) Risk management policies

In order to have a common language of market risk management, definition, communication and measurement, then comply with the requirements of the governing authorities, KGI Bank has developed “Market Risk Management Standard” based on Regulations Governing the Capital Adequacy Ratio of Banks (the CAR Regulations) related market risk calculation tables announced by the FSC, international standards, and parent company market risk management policy framework.

The “Market Risk Policy” is applicable to “Trading Book” positions defined by the Regulations Governing the Capital Adequacy Ratio of the KGI Bank related market risk calculation tables and the KGI Bank’s book management approach to financial instrument handling.

Following the “Market Risk Policy”, the KGI Bank sets up the “Market Risk Management Procedure to Trading Activities” to manage market risk throughout the Firm. This procedure includes risk identification and assessment, risk measurement, risk monitoring, risk reporting and contingency management processes.

3) The procedure of market risk measuring, monitoring, and reporting

The KGI Bank’s market risk limits include position sensitivities, stop-loss limits, Value-at-Risk (VaR).

Risk factors analyzed through the KGI Bank’s risk measurement systems are sufficient to determine all market risks of trading positions on balance sheet, including interest rates risk, foreign exchange risk, equity risk and commodity risk, as well as volatility risks which arise out of the option transactions.

The KGI Bank’s market risk report includes profit or loss on trading positions, limits usage, stress testing, trading portfolio risk assessment, as well as significant exception if any.

The risk management unit of the KGI Bank independently performs daily market risk limit controls, and monthly reports to both the Risk Management Committee and Risk Management Committee of parent company, parent company. Besides, the above reports are regularly presented to the Board for reference.

4) Mitigation of risks or hedging of market risk, and monitoring strategy and procedure

The KGI Bank’s market risk positions or hedging positions are marked to market on a daily base through techniques such as model evaluation. All market parameters are updated at least daily in accordance with changes in market conditions to conduct value assessment of products. Market Risk Limits are reviewed and controlled based on the revaluation results of risk value, position sensitivity and profit and loss figure on the daily basis.

5) Valuation techniques of market risk

The KGI Bank uses the VaR model and stress testing to evaluate the potential and extreme risk of trading portfolios. Through variations of the assumptions on market conditions, these techniques can be used to assess the market risk of positions held and the maximum expected loss.

VaR is calculated using a one-day time horizon with a 95% confidence level.

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30, 2024			For the Year Ended December 31, 2023			For the Six Months Ended June 30, 2023		
	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest
Interest rate risk	\$ 10,757	\$ 27,796	\$ 6,076	\$ 13,066	\$ 41,141	\$ 6,565	\$ 15,922	\$ 41,141	\$ 8,157
Equity risk	4,525	17,997	383	4,816	14,619	155	5,214	14,619	155
Exchange rate risk	8,079	21,983	3,172	17,665	29,632	6,664	15,763	23,987	6,664

6) Interest rate risk in banking book

The scope of interest rate risk in banking book includes interest rate sensitivity of assets and liabilities, but do not include risk management of trading book. Interest rate risk in banking book measures the adverse effects on net interest income of assets, liabilities and off-balance sheet as a result of adverse fluctuations in interest. Risk assessment not only builds the sensitivity gap between assets and liabilities, but also quantifies through the dimension of retained earnings and economic value perspectives.

7) Interest rate risk management of the banking book

The interest rate risk management strategy involving the Bank's banking book is to minimize the negative impact of changes in interest rates on net interest income and the net economic value of equity. The asset-liability management committee (ALMCO) approves the annual banking book interest rate risk limits and monitors the Bank's interest rate risk exposures every day. The interest rate risk management processes involving the banking book include risk identification, risk measurement, risk control, risk monitor and others. The unit monitoring the banking book interest rate risk reports interest rate risk exposures regularly to ALMCO and adjusts the structure of assets and liabilities according to the report, lowering the amount of exposure. For risk monitoring, the asset and liability management system outputs an analysis report, which is provided to the interest rate risk execution unit and top management. If risk missing or excess of limit occurred from monitor, written notices will be passed to interest rate risk implementation units to adjust and improve the program reported to ALMCO.

8) The effect of interest rate benchmark reform

KGI Bank is exposed to USD LIBOR which is subject to interest rate benchmark reform. The exposures arise on derivatives and non-derivative financial assets and liabilities. SOFR (Secured Overnight Financing Rate) is expected to replace USD LIBOR. There are key differences between USD LIBOR and SOFR. USD LIBOR is "forward looking", which implies market expectation over future interest rates, and includes a credit spread over the risk-free rate. SOFR is currently a "backward-looking" rate, based on interest rates from actual transactions, and excludes a credit spread. To transition existing contracts and agreements that reference USD LIBOR to SOFR, adjustments for these differences might need to be applied to SOFR to enable the two benchmark rates to be economically equivalent.

KGI Bank has established a LIBOR conversion task force, is responsible for promoting cross-departmental conversion work, drafting conversion plans and time schedule planning, conducting impact assessments. This task force also focuses on product conversion business strategy adjustments, customer communication, system, operating process changes, evaluation, risk models, financial reports and tax implications. This task force reports to the Risk Management Committee and the Board of Directors on the implementation situation quarterly. KGI Bank has completed all the aforementioned assessments and conversion work, which the financial instruments subject to interest rate benchmark reform have been quoted using other benchmark interest rate.

9) Concentration of currency risk information

The financial assets and liabilities denominated in foreign currency and with material influence on KGI Bank and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2024		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,485,923	32.45	\$ 178,018,205
AUD	893,721	21.53	19,241,811
HKD	4,579,012	4.16	19,030,373
ZAR	4,817,645	1.78	8,580,227
EUR	178,262	34.71	6,187,473
CNY	1,312,083	4.45	5,832,995
JPY	24,649,968	0.20	4,971,899
GBP	31,295	41.03	1,284,042
SGD	28,039	23.91	670,416
Investments accounted for using the equity method			
CNY	1,879,649	4.45	8,356,169
<u>Financial liabilities</u>			
Monetary items			
USD	7,956,910	32.45	258,201,731
CNY	2,801,286	4.45	12,453,397
AUD	488,764	21.53	10,523,092
EUR	213,920	34.71	7,425,174
JPY	24,743,631	0.20	4,990,790
ZAR	1,941,003	1.78	3,456,926
HKD	139,516	4.16	579,828
SGD	7,921	23.91	189,382
GBP	3,770	41.03	154,694
CAD	4,473	23.67	105,866

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,649,095	30.74	\$ 173,624,921
HKD	4,484,610	3.93	17,642,454
AUD	615,877	21.01	12,939,567
CNY	2,073,549	4.33	8,981,368
ZAR	4,779,130	1.66	7,928,576
JPY	22,592,142	0.22	4,911,532
EUR	134,594	34.03	4,580,229
GBP	40,631	39.20	1,592,738
SGD	18,345	23.32	427,812
Investments accounted for using the equity method			
CNY	1,793,443	4.33	7,768,118
<u>Financial liabilities</u>			
Monetary items			
USD	8,133,968	30.74	249,997,520
CNY	3,292,090	4.33	14,259,360
AUD	346,265	21.01	7,275,027
EUR	200,468	34.03	6,821,920
JPY	17,459,474	0.22	3,795,690
ZAR	2,024,312	1.66	3,358,334
HKD	131,698	3.93	518,100
SGD	9,130	23.32	212,908
GBP	4,049	39.20	158,726
NZD	5,821	19.50	113,503

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 5,970,456	31.14	\$ 185,890,162
HKD	4,615,669	3.97	18,342,669
AUD	528,963	20.62	10,907,222
CNY	2,012,091	4.28	8,616,980
ZAR	4,764,281	1.65	7,861,064
EUR	176,000	33.80	5,948,807
JPY	22,781,803	0.22	4,898,088
GBP	38,672	39.36	1,522,129
SGD	32,687	22.95	750,178
Investments accounted for using the equity method			
CNY	1,077,552	4.28	4,614,726
<u>Financial liabilities</u>			
Monetary items			
USD	7,509,703	31.14	233,814,612
CNY	2,859,837	4.28	12,247,538
AUD	326,801	20.62	6,738,633
EUR	169,328	33.80	5,723,293
JPY	15,997,699	0.22	3,439,505
ZAR	1,946,421	1.65	3,211,594
HKD	241,031	3.97	957,856
GBP	8,334	39.36	328,011
SGD	9,205	22.95	211,245
NZD	8,494	18.96	161,053

10) Disclosure required by the Regulations Governing the Preparation of Financial Reports by Public Banks.

a) Analysis of KGI Bank's interest rate-sensitive assets and liabilities (New Taiwan dollars)

June 30, 2024

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 418,856,220	\$ 32,655,942	\$ 20,263,807	\$ 63,216,912	\$ 534,992,881
Interest rate-sensitive liabilities	196,853,606	192,146,458	25,472,764	30,059,974	444,532,802
Interest rate sensitivity gap	222,002,614	(159,490,516)	(5,208,957)	33,156,938	90,460,079
Net worth					70,271,200
Ratio of interest rate-sensitive assets to liabilities (%)					120.35
Ratio of interest rate-sensitive gap to net worth (%)					128.73

June 30, 2023

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 387,662,047	\$ 31,323,348	\$ 23,282,836	\$ 54,537,914	\$ 496,806,145
Interest rate-sensitive liabilities	181,664,899	204,982,373	17,181,895	27,177,040	431,006,207
Interest rate sensitivity gap	205,997,148	(173,659,025)	6,100,941	27,360,874	65,799,938
Net worth					66,540,302
Ratio of interest rate-sensitive assets to liabilities (%)					115.27
Ratio of interest rate-sensitive gap to net worth (%)					98.89

Note 1: The above amounts included only New Taiwan dollar amounts held by KGI Bank excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities in New Taiwan dollars).

b) Analysis of KGI Bank's interest rate-sensitive assets and liabilities (U.S. dollars)

June 30, 2024

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 2,104,045	\$ 436,090	\$ 266,030	\$ 2,218,394	\$ 5,024,559
Interest rate-sensitive liabilities	5,277,960	1,844,308	641,154	3,746	7,767,168
Interest rate sensitivity gap	(3,173,915)	(1,408,218)	(375,124)	2,214,648	(2,742,609)
Net worth					(48,066)
Ratio of interest rate-sensitive assets to liabilities (%)					64.69
Ratio of interest rate-sensitive gap to net worth (%)					-

June 30, 2023

(In Thousands of U.S. Dollars, %)

Item	1 to 90 Days	91 to 180 Days	181 Days to 1 Year	Over 1 Year	Total
Interest rate-sensitive assets	\$ 2,877,304	\$ 181,032	\$ 137,209	\$ 2,360,812	\$ 5,556,357
Interest rate-sensitive liabilities	5,005,233	1,203,189	1,084,324	3,063	7,295,809
Interest rate sensitivity gap	(2,127,929)	(1,022,157)	(947,115)	2,357,749	(1,739,452)
Net worth					(39,056)
Ratio of interest rate-sensitive assets to liabilities (%)					76.16
Ratio of interest rate-sensitive gap to net worth (%)					-

Note 1: The above amounts included only U.S. dollars amounts held by KGI Bank, excluded contingent assets and contingent liabilities.

Note 2: Interest rate-sensitive assets and liabilities are interest-earning assets and interest-bearing liabilities with revenues or costs affected by interest rate changes.

Note 3: Interest rate sensitivity gap = Interest rate-sensitive assets - Interest rate-sensitive liabilities.

Note 4: Ratio of interest rate-sensitive assets to liabilities = Interest rate-sensitive assets/Interest rate-sensitive liabilities (interest rate-sensitive assets and interest rate-sensitive liabilities in U.S. dollars).

KGI Securities and subsidiaries

Market risk is the risk of potential loss or change in valuation for securities or financial products that KGI Securities and subsidiaries hold due to the fluctuations of the market risk factors. Such factors include interest rates (including credit spread) and risk of equity securities and exchange rates and commodity risk.

KGI Securities and subsidiaries utilize risk factor sensitivity and value at risk to measure and contain market risks. KGI Securities and subsidiaries also holds regular stress test to help the management understand the estimated influence on the income of investment portfolio under potential extreme events or circumstances.

1) Risk factor sensitivity

Using product identification and analysis procedure held by KGI Securities and subsidiaries, the corresponding market risk factor can be determined. Individual risk factor's entire exposure can be measured by observing how the value of a financial instrument changes as each risk factor changes. KGI Securities and subsidiaries monitor the following risk factor sensitivities:

- a) Interest rate risk sensitivity: Measured by the change of present value of future cash flows of the measured holding with each yield curve or credit spread moved 0.01% horizontally.
- b) Equity securities risk sensitivity: Measured by the change of the value of investment portfolio with the price of the underlying assets linked to the equity securities, which could divided into two types by distribution of financial instrument:
 - i. Equity delta: Measured by the change of present value of stock with the price of the underlying assets linked to the equity securities. (As the potential loss amount given that the TAIEX and stock of respective companies drop 1%).
 - ii. Debt delta: Measured by the change of present value of bond with the price of the underlying assets linked to the debt securities. (As the potential loss amount given that the beneficiary certificates and funds, included preferred stocks and bond ETF drop 1%).
- c) Exchange rate risk sensitivity: Measured by the change of present values of corresponding holdings of currencies with exchange rate for each currency (as the potential loss amount given that the foreign currencies depreciate 1% against NTD).
- d) Commodity risk sensitivity: Measured by the change of present values of corresponding holdings of currencies with commodity for each currency (as the potential loss amount given that commodity currencies depreciate 1% against NTD).

The risk sensitivities in the portfolio held by KGI Securities and subsidiaries are as follows:

Comparisons of Risk Sensitive Factors

(In Thousands of New Taiwan Dollars)

Risk Sensitivity	June 30, 2024	December 31, 2023	June 30, 2023
Interest rate risk	\$ 3,265	\$ 6,641	\$ 3,109
Equity securities risk			
Equity delta	5,811,695	5,479,505	5,029,382
Debt delta	12,280	(832,977)	139,527
Exchange rate risk	1,219,420	1,073,704	1,386,785
Commodity risk	(19,936)	(3,091)	(33,680)

2) Value at risk

Value at risk (“VAR”) is a statistical measurement used to measure the maximum potential loss of a portfolio in a certain future time horizon and confidence level. KGI Securities and subsidiaries uses parametric in estimating a value at risk at 99% of confidence interval at duration of 1 day. This means that among 100 trading days, 1 trading day might see the loss of the positions exceeding the value at risk estimated the day before. KGI Securities and subsidiaries continue to conduct back testing daily to ensure the effectiveness of the estimations made by the risk value model.

The comparison of risk value in the trading portfolio held by KGI Securities and subsidiaries were as follows:

	For the Six Months Ended June 30, 2024			June 30, 2024
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	\$ 161,392	\$ 92,283	\$ 243,518	\$ 168,290
Interest rate	188,090	105,019	280,342	184,406
Exchange rate	55,454	40,831	86,424	48,767
Commodity	6,601	423	19,123	10,629
	For the Six Months Ended June 30, 2023			June 30, 2023
	Average VAR	Minimum VAR	Maximum VAR	Ending VAR
Equity securities	\$ 138,438	\$ 78,783	\$ 217,812	\$ 87,860
Interest rate	146,431	37,588	194,068	136,426
Exchange rate	43,664	25,481	72,826	32,270
Commodity	11,526	608	33,632	18,366

3) Stress test

Stress test is one of the tools for risk management. It mainly evaluates the effects extreme changes in market risk factors in an investment portfolio to help KGI Securities’ board of directors and management understand how potential extreme incidents can affect the market risk sensitivity and the profit/loss of an investment portfolio.

The main methods of stress test are historic analysis and hypothetical scenarios analysis. The results will be regularly reported to the risk management committee and the board of directors of KGI Securities.

- 4) The financial assets and liabilities denominated in foreign currency and with material influence on KGI Securities and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2024		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,630,822	32.45	\$ 117,820,576
EUR	525,845	34.71	18,252,078
JPY	13,562,149	0.20	2,735,486
HKD	469,083	4.16	1,949,097
ZAR	164,143	1.78	292,338
AUD	9,711	21.53	209,073
CNY	32,700	4.45	145,372
Nonmonetary items			
USD	1,996,725	32.45	64,791,724
CNY	1,293,404	4.45	5,749,957
AUD	110,080	21.53	2,370,026
Investments accounted for using the equity method			
USD	83,858	32.45	2,721,200
<u>Financial liabilities</u>			
Monetary items			
USD	6,010,702	32.45	195,047,592
EUR	524,587	34.71	18,208,407
JPY	13,286,232	0.20	2,679,833
AUD	108,904	21.53	2,344,704
HKD	430,275	4.16	1,787,813
ZAR	139,383	1.78	248,241
Nonmonetary items			
USD	399,942	32.45	12,978,105

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,377,834	30.74	\$ 103,805,241
EUR	502,731	34.03	17,107,841
HKD	337,680	3.93	1,326,923
JPY	5,271,627	0.22	1,145,084
CNY	46,258	4.33	200,354
AUD	7,813	21.01	164,154
ZAR	63,668	1.66	105,626
Nonmonetary items			
USD	1,944,146	30.74	59,751,690
CNY	948,079	4.33	4,106,510
EUR	3,630	34.03	123,528
Investments accounted for using the equity method			
USD	91,205	30.74	2,803,191
<u>Financial liabilities</u>			
Monetary items			
USD	5,601,009	30.74	172,134,529
EUR	504,768	34.03	17,177,139
HKD	308,668	3.93	1,212,789
JPY	5,056,938	0.22	1,098,412
AUD	5,641	21.01	118,524
Nonmonetary items			
USD	354,417	30.74	10,893,010

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 3,823,434	31.14	\$ 119,045,516
EUR	506,643	33.80	17,124,554
HKD	310,268	3.97	1,233,004
JPY	3,587,827	0.22	771,383
AUD	9,506	20.62	196,014
CNY	43,028	4.29	184,271
Nonmonetary items			
USD	2,013,677	31.14	62,694,425
CNY	1,366,493	4.28	5,852,144
Investments accounted for using the equity method			
USD	84,329	31.14	2,625,597
<u>Financial liabilities</u>			
Monetary items			
USD	5,950,468	31.14	185,270,732
EUR	504,941	33.80	17,067,028
HKD	248,012	3.97	985,600
JPY	3,457,601	0.22	743,384
AUD	16,353	20.62	337,205
CNY	76,641	4.28	328,220
Nonmonetary items			
USD	474,594	31.14	14,776,484

CDIB Capital Group and subsidiaries

Market risk is defined as an unfavorable change in financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss on financial assets and liabilities. Market risk is explained as follows:

1) Exchange rate risk

The financial assets and liabilities denominated in foreign currency and with material influence on CDIB Capital Group and its subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2024		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 292,633	32.45	\$ 9,495,954
KRW	22,285,331	0.02	524,307
CNY	113,463	4.45	504,410
AUD	10,487	21.53	225,786
Nonmonetary items			
USD	347,825	32.45	11,286,933
CNY	142,504	4.45	633,517
EUR	9,076	34.71	315,023
KRW	5,735,300	0.02	134,934
Investments accounted for using the equity method			
CNY	411,200	4.45	1,828,193
USD	53,992	32.45	1,752,033
<u>Financial liabilities</u>			
Monetary items			
USD	43,732	32.45	1,419,118

(In Thousands of Foreign Currencies/New Taiwan Dollars)

December 31, 2023			
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 267,148	30.74	\$ 8,210,796
CNY	315,435	4.33	1,366,276
KRW	22,249,692	0.02	527,674
AUD	10,445	21.01	219,440
Nonmonetary items			
USD	281,479	30.74	8,651,245
CNY	169,951	4.33	736,126
EUR	8,492	34.03	288,988
KRW	9,125,463	0.02	216,419
Investments accounted for using the equity method			
USD	62,690	30.74	1,926,781
CNY	439,088	4.33	1,901,690

Financial liabilities

Monetary items			
USD	41,965	30.74	1,289,793

(In Thousands of Foreign Currencies/New Taiwan Dollars)

June 30, 2023			
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 254,870	31.14	\$ 7,935,367
CNY	316,161	4.28	1,353,991
KRW	22,214,491	0.02	523,729
AUD	10,409	20.62	214,624
EUR	4,027	33.80	136,117
Nonmonetary items			
USD	266,142	31.14	8,286,322
CNY	160,395	4.28	686,906
GBP	8,876	39.36	349,376
KRW	12,926,863	0.02	304,764
EUR	6,965	33.80	235,405
(Continued)			

	June 30, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Investments accounted for using the equity method			
USD	\$ 70,185	31.14	\$ 2,185,209
CNY	428,923	4.28	1,837,076

Financial liabilities

Monetary items			
USD	33,436	31.14	1,041,027
EUR	4,020	33.80	135,867
			(Concluded)

Sensitivity analysis

The following table details CDIB Capital Group and its subsidiaries' sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and their translation was adjusted at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease (increase) in pre-tax profit (loss) associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit (loss), and the balances below would be negative.

	Impact on Profit or Loss For the Six Months Ended June 30	
	2024	2023
Monetary items		
USD	\$ 80,768	\$ 68,943
KRW	5,243	5,237
CNY	4,754	13,273
AUD	2,258	2,146

2) Interest rate risk

The primary financial assets of CDIB Capital Group and its subsidiaries with exposure to interest rates as of June 30, 2024, December 31, 2023 and June 30, 2023 were cash in banks. Management believes that interest rate changes would have been no significant effect on CDIB Capital Group and its subsidiaries.

3) Other price risk

CDIB Capital Group and its subsidiaries were exposed to equity price risk through its investments in principal investment business. CDIB Capital Group manages this exposure by setting risk acceptance limitation concerning industry, country, affiliated groups, and the same group.

If equity prices had been 1% higher/lower, the post-tax income for the six months ended June 30, 2024 and 2023 would have increased/decreased by \$185,280 thousand and \$167,372 thousand, as a result of the changes in fair value of financial assets at fair value through profit or loss.

KGI Life Insurance

- 1) Market risk refers to the risk of loss of assets due to changes in market prices over a certain period of time.

KGI Life Insurance uses various risk analysis methods to identify the sources of market risk, to identify and define the market risk factors of financial instruments, and to make appropriate regulations to ensure the effective operation of market risk management. In accordance with the approved market risk limits and early warning indicators, KGI Life Insurance regularly performs warning and limit monitoring operations, and establishes procedures to handle risk limit exceedances to facilitate proper management of the exceeded limits.

- 2) Exchange rate risk

KGI Life Insurance's exchange rate risk is primarily related to foreign currency assets and foreign currency liabilities in its accounts. If the foreign currency assets and foreign currency liabilities are part of the same currency, it will have a natural hedging effect, and the remaining parts may have the risk of value changes due to the exchange rate changes. KGI Life Insurance primarily uses foreign exchange and foreign exchange derivatives to avoid exchange rate risks, and controls it in accordance with relevant laws and requirements for internal control.

- 3) Interest rate risk

Interest rate risk refers to the risk resulting from changes in market interest rates which causes fluctuations in the fair value of financial instruments. KGI Life Insurance manages interest rate risk by combinations of fixed and floating interest rate products. Because they do not meet the requirements for hedge accounting, hedge accounting is not adopted.

- 4) Equity price risk

KGI Life Insurance holds equity securities of listed and unlisted companies, and OTC-traded and non-OTC traded companies. The price of such equity securities will be affected by uncertainties about the future value of the underlying investment. KGI Life Insurance diversified its investment and set investment limits for a single equity security to manage price risk of equity securities. Portfolio information of equity securities is required to be regularly reported to senior executives of KGI Life Insurance. The board of directors should authorize the senior executives to review and approve the equity securities of all investment decisions.

- 5) Value at risk

Value-at-risk is the maximum loss on the portfolio with a given probability defined as the confidence level, over a given period of time. KGI Life Insurance uses 99% VaR to measure the market risk over the next ten days.

VaR model must be able to reasonably and appropriately measure the maximum potential risk of financial instruments and investment portfolio. VaR model used to manage risk must perform model validation and backtesting to show that the model can reasonably and effectively measure the maximum potential risks of the financial instruments or investment portfolio.

- 6) Stress testing

KGI Life Insurance measures and evaluates potential risks of the occurrence of extreme and abnormal events regularly in addition to Value at Risk models. Stress testing measures the potential impact on the value of the investment portfolio when extreme fluctuations of financial variables occur.

KGI Life Insurance performs stress testing regularly by using “Simple Sensitivity” and “Scenario Analysis” methods. The test is capable of representing the position loss resulted from the movement of a specific risk factor under different kinds of historical scenarios:

a) Simple sensitivity

Simple Sensitivity measures the dollar amount change for the portfolio value from the movement of specific risk factors.

b) Scenario analysis

Scenario Analysis measures the dollar amount changes for the total value of investment positions if stress scenarios occur. The types of scenarios include:

i. Historical scenario:

Adding fluctuating risk factors to a specific historical event, KGI Life Insurance simulates what the dollar amount of losses for the current investment portfolio would be in the same period of time.

ii. Hypothetical scenario:

KGI Life Insurance makes hypothesis with rational expectations from the extreme market movements to assess the dollar amount of losses for the investment position by taking into consideration the movement of relevant risk factors.

Risk management department performs the stress testing with historical and hypothetical scenarios regularly. KGI Life Insurance’s risk analysis, early warning, and business management are in accordance with the stress testing report.

**Summary of Factor Sensitivity Analysis
June 30, 2024**

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	\$ -	\$ 2,204,000
Interest rate risk (yield curve)	+1BP	-	(251,030)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(4,128,840)	(986,766)

December 31, 2023

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	\$ -	\$ 1,729,025
Interest rate risk (yield curve)	+1BP	-	(252,065)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(2,948,656)	(918,611)

June 30, 2023

Risk Factors	Changes (+/-)	Changes in Income	Changes in Equity
Equity risk (stock index)	+1%	\$ -	\$ 2,508,630
Interest rate risk (yield curve)	+1BP	-	(96,326)
Exchange risk (foreign exchange rate)	+1% (NTD for each currency appreciates 1%)	(2,478,768)	(1,106,241)

- 7) KGI Life Insurance's foreign currency financial assets and liabilities with significant influence as of June 30, 2024, December 31, 2023 and June 30, 2023 are as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2024		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,918,430	32.45	\$ 1,490,053,054
AUD	5,803,805	21.52	124,921,674
Non-monetary items			
USD	2,085,822	32.45	67,684,920
<u>Financial liabilities</u>			
Monetary items			
USD	22,256	32.45	722,201

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 46,360,071	30.74	\$ 1,424,876,796
AUD	5,851,455	21.00	122,870,020
Non-monetary items			
USD	1,933,365	30.74	59,421,973
<u>Financial liabilities</u>			
Monetary items			
USD	237,747	30.74	7,307,158

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 45,913,634	31.14	\$ 1,429,520,983
AUD	5,803,364	20.61	119,615,450
Non-monetary items			
USD	2,389,574	31.14	74,399,380
<u>Financial liabilities</u>			
Monetary items			
USD	16,285	31.14	507,028

The above information is disclosed based on the carrying amount of the foreign currencies, which has been translated to functional currency.

e. Transfers of financial assets

KGI Bank and subsidiaries

Transferred financial assets not qualifying for full derecognition

Among the daily operations of KGI Bank, most of the transactions involving transferred financial assets not qualifying for full derecognition are debt securities under repurchase agreements. Since KGI Bank has the right to receive cash flows from the financial assets transferred to the counterparties and has the obligation to repurchase the transferred financial assets for a fixed price at a future date, the transferred financial assets cannot be used, sold or pledged during the duration of the transaction. KGI Bank does not derecognize it entirely because KGI Bank remains exposed to interest rate risk and credit risk on these pledged instruments.

Related information of financial assets and liabilities not qualifying for full derecognition was listed below:

June 30, 2024					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	\$ 3,109,236	\$ 2,790,390	\$ 2,919,419	\$ 2,790,390	\$ 129,029
Financial assets at FVTPL	3,399,046	3,400,951	3,399,046	3,400,951	(1,905)
Financial assets at FVTOCI	63,470,393	61,325,083	63,470,393	61,325,083	2,145,310

December 31, 2023					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	\$ 1,075,645	\$ 927,945	\$ 1,000,876	\$ 927,945	\$ 72,931
Financial assets at FVTPL	1,508,805	1,510,123	1,508,805	1,510,123	(1,318)
Financial assets at FVTOCI	42,234,199	40,142,911	42,234,199	40,142,911	2,091,288

June 30, 2023					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Notes and bonds issued under repurchase agreements					
Financial assets at amortized cost	\$ 2,812,593	\$ 2,484,475	\$ 2,587,974	\$ 2,484,475	\$ 103,499
Financial assets at FVTPL	1,636,713	1,639,799	1,636,713	1,639,799	(3,086)
Financial assets at FVTOCI	39,942,045	38,926,656	39,942,045	38,926,656	1,015,389

KGI Securities and subsidiaries

1) Transferred financial assets not qualifying for full derecognition

Among daily operations of KGI Securities and subsidiaries, most of the transactions of transferred financial assets not qualifying for full derecognition are debt securities held by counterparties as collateral under repurchase agreements or equity securities lent under securities lending agreements. As the substance of these transactions is secured borrowing, securities that has transferred to counterparties during the transaction causes KGI Securities and subsidiaries' right to receive cash flows of the financial assets transferred to the counterparties; KGI Securities and subsidiaries only recognized related liabilities reflecting the obligation to repurchase the transferred financial assets at a fixed price in the future, and the transferred financial assets cannot be used, sold or pledged in the duration of the transaction. KGI Securities and subsidiaries do not derecognize it entirely because KGI Securities and subsidiaries remain exposed to interest rate risk, credit risk and market risk on these pledged instruments.

Related information of financial assets and liabilities not qualifying for full derecognition was listed below:

June 30, 2024					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Financial assets at FVTPL					
Transactions with agreements	\$ 32,966,572	\$ 31,995,358	\$ 32,966,572	\$ 31,995,358	\$ 971,214
Financial assets at FVTOCI					
Transactions with agreements	29,455,277	27,503,653	29,455,277	27,503,653	1,951,624
Financial assets at amortized cost					
Transactions with agreements	4,876,801	4,877,364	4,876,801	4,877,364	(563)

December 31, 2023					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Net Position of Fair Value
Financial assets at FVTPL					
Transactions with agreements	\$ 28,152,330	\$ 27,529,289	\$ 28,152,330	\$ 27,529,289	\$ 623,041
Financial assets at FVTOCI					
Transactions with agreements	29,901,195	27,651,012	29,901,195	27,651,012	2,250,183
Financial assets at amortized cost					
Transactions with agreements	4,772,444	4,457,915	4,772,444	4,457,915	314,529

June 30, 2023					
Category	Carrying Amount of Transferred Financial Assets	Carrying Amount of Related Financial Liabilities	Fair Value of Transferred Financial Assets	Fair Value of Related Financial Liabilities	Fair Value of Net Position
Financial assets at FVTPL					
Transactions with agreements	\$ 26,480,104	\$ 25,495,731	\$ 26,480,104	\$ 25,495,731	\$ 984,373
Financial assets at FVTOCI					
Transactions with agreements	28,543,886	27,151,310	28,543,886	27,151,310	1,392,576
Financial assets at amortized cost					
Transactions with agreements	4,656,043	4,674,589	4,656,043	4,674,589	(18,546)

2) Transferred financial assets qualifying for full derecognition

KGI Securities uses convertible bonds acquired by an underwriter or dealer as the trading object of the asset swap transaction, then KGI Securities receives consideration by selling it, and exchange interests arise from convertible bonds for compensation interests according to the contracts, and has the right to redeem the bonds at any time before the maturity date. KGI Securities does not retain the control over the transferred assets and derecognizes them since counterparties have the ability to sell financial assets to third party and no restrictions will be made to counterparties. KGI Securities still retain the call option of the object, and the maximum exposure of the loss is the book value of the pledged instruments.

Related information of transferred financial assets and liabilities qualifying for full derecognition are as follows:

Period	Types of Continuing Involvement	Outflows of Repurchased Transferred (Derecognized) Financial Assets	Book Value of Continuing Involvement in the Balance Sheet	Fair Value of Continuing Involvement		Maximum of Loss Exposure
			Financial Assets at FVTPL	Assets	Liabilities	
June 30, 2024	Call option	\$ 12,881,000	\$ 3,150,945	\$ 3,150,945	\$ -	\$ 3,150,945
December 31, 2023	Call option	12,434,300	2,504,819	2,504,819	-	2,504,819
June 30, 2023	Call option	11,110,800	2,044,676	2,044,676	-	2,044,676

The following table is repurchased transferred (derecognized) financial assets' undiscounted cash flow maturity analysis. Information of cash flow is disclosed according to the circumstances of every balance sheet day.

Period	Types of Continuing Involvement	Spot	3 Months	3-12 Months	1-5 Years	Over 5 Years	Total
June 30, 2024	Call option	\$ -	\$ 387,600	\$ 3,427,900	\$ 9,065,500	\$ -	\$ 12,881,000
December 31, 2023	Call option	-	934,500	3,133,500	8,366,300	-	12,434,300
June 30, 2023	Call option	-	493,400	2,173,900	8,443,500	-	11,110,800

The following table shows gains or losses recognized from continuing involvement - call option at the assets transferred day, continuing involvement of derecognized financial assets until balance sheet day and revenues and expenses recognized during the period.

Period	Types of Continuing Involvement	Gains or Losses Recognized at Balance Sheet Day	Revenues or Expenses Recognized from Continuing Involvement of Derecognized Financial Assets Until Balance Sheet Day	Revenues or Expenses Recognized During the Period
June 30, 2024	Call option	\$ 84,550	\$ 666,355	\$ 750,905
December 31, 2023	Call option	159,316	(98,652)	60,664
June 30, 2023	Call option	(33,628)	41,118	7,490

f. Offsetting financial assets and financial liabilities

KGI Bank and subsidiaries

KGI Bank and subsidiaries have enforceable master netting arrangements or similar agreements signed with counterparty, and the financial assets and financial liabilities can be offset when both sides of the transaction have decided to, but gross settlements if have not. One can choose net settlement if the other side of the transaction is in the breach of contract.

Related information of offsetting financial assets and financial liabilities were as follows:

June 30, 2024						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Securities purchased under resell agreements	\$ 43,653,988	\$ -	\$ 43,653,988	\$ 43,653,988	\$ -	\$ -
Derivative instruments (Note 2)	30,308,305	-	30,308,305	7,994,283	312,162	22,001,860
Total	\$ 73,962,293	\$ -	\$ 73,962,293	\$ 51,648,271	\$ 312,162	\$ 22,001,860

June 30, 2024						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Notes and bonds issued under repurchase agreements	\$ 67,516,424	\$ -	\$ 67,516,424	\$ 67,402,769	\$ 113,655	\$ -
Derivative instruments (Note 2)	28,869,286	-	28,869,286	7,656,564	6,646,734	14,565,988
Total	\$ 96,385,710	\$ -	\$ 96,385,710	\$ 75,059,333	\$ 6,760,389	\$ 14,565,988

December 31, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Securities purchased under resell agreements	\$ 42,097,729	\$ -	\$ 42,097,729	\$ 42,097,729	\$ -	\$ -
Derivative instruments (Note 2)	30,011,713	-	30,011,713	8,650,533	2,566,513	18,794,667
Total	\$ 72,109,442	\$ -	\$ 72,109,442	\$ 50,748,262	\$ 2,566,513	\$ 18,794,667

December 31, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Notes and bonds issued under repurchase agreements	\$ 42,580,979	\$ -	\$ 42,580,979	\$ 42,580,979	\$ -	\$ -
Derivative instruments (Note 2)	29,931,131	-	29,931,131	8,994,239	2,947,399	17,989,493
Total	\$ 72,512,110	\$ -	\$ 72,512,110	\$ 51,575,218	\$ 2,947,399	\$ 17,989,493

June 30, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Securities purchased under resell agreements	\$ 37,214,932	\$ -	\$ 37,214,932	\$ 37,204,969	\$ 9,963	\$ -
Derivative instruments (Note 2)	29,224,990	-	29,224,990	7,410,668	719,322	21,095,000
Total	\$ 66,439,922	\$ -	\$ 66,439,922	\$ 44,615,637	\$ 729,285	\$ 21,095,000

June 30, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Notes and bonds issued under repurchase agreements	\$ 43,050,930	\$ -	\$ 43,050,930	\$ 42,982,682	\$ 68,248	\$ -
Derivative instruments (Note 2)	27,364,556	-	27,364,556	7,455,796	4,363,756	15,545,004
Total	\$ 70,415,486	\$ -	\$ 70,415,486	\$ 50,438,478	\$ 4,432,004	\$ 15,545,004

Note 1: Financial instruments include master netting arrangements and non-cash collateral.

Note 2: Derivative instruments include hedging derivative financial.

KGI Securities and subsidiaries

KGI Securities and subsidiaries' transactions of derivative assets and liabilities do not correspond to the provisions of IAS, only in the circumstances of default, insolvency or bankruptcy will KGI Securities have the rights to offset derivative assets and liabilities.

KGI Securities and subsidiaries have signed securities repurchase contracts with counterparties, and the agreements stating that KGI Securities and subsidiaries to provide securities as collateral, meanwhile KGI Securities and subsidiaries signed securities resell contracts with counterparties and receive securities as collateral which do not recognize in the balance sheet. Such contracts do not correspond to the provisions of IAS and bear the right to offset only in the circumstances of default, insolvency or bankruptcy, therefore, related securities sell with repurchase agreements and securities purchased with resell agreement are presented in the balance sheet respectively.

Related information of offsetting financial assets and financial liabilities were as follows:

June 30, 2024						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Derivative financial instruments (Note 2)	\$ 7,775,781	\$ -	\$ 7,775,781	\$ -	\$ 1,320,665	\$ 6,455,116
Securities purchased under resell agreements	19,998,406	-	19,998,406	19,998,406	-	-
Total	\$ 27,774,187	\$ -	\$ 27,774,187	\$ 19,998,406	\$ 1,320,665	\$ 6,455,116

June 30, 2024						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Derivative financial instruments (Note 2)	\$ 14,014,927	\$ -	\$ 14,014,927	\$ -	\$ 1,868,937	\$ 12,145,990
Notes and bonds issued under repurchase agreements	103,091,460	-	103,091,460	103,091,460	-	-
Total	\$ 117,106,387	\$ -	\$ 117,106,387	\$ 103,091,460	\$ 1,868,937	\$ 12,145,990

December 31, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Derivative financial instruments (Note 2)	\$ 5,870,737	\$ -	\$ 5,870,737	\$ -	\$ 1,014,109	\$ 4,856,628
Securities purchased under resell agreements	13,142,589	-	13,142,589	13,142,589	-	-
Total	\$ 19,013,326	\$ -	\$ 19,013,326	\$ 13,142,589	\$ 1,014,109	\$ 4,856,628

December 31, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Derivative financial instruments (Note 2)	\$ 10,669,203	\$ -	\$ 10,669,203	\$ -	\$ 1,532,523	\$ 9,136,680
Notes and bonds issued under repurchase agreements	87,713,610	-	87,713,610	87,713,610	-	-
Total	\$ 98,382,813	\$ -	\$ 98,382,813	\$ 87,713,610	\$ 1,532,523	\$ 9,136,680

June 30, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Received	
Derivative financial instruments (Note 2)	\$ 7,303,602	\$ -	\$ 7,303,602	\$ -	\$ 1,856,244	\$ 5,447,358
Securities purchased under resell agreements	11,434,942	-	11,434,942	11,434,942	-	-
Total	\$ 18,738,544	\$ -	\$ 18,738,544	\$ 11,434,942	\$ 1,856,244	\$ 5,447,358

June 30, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments (Note 1)	Cash Collateral Pledged	
Derivative financial instruments (Note 2)	\$ 12,647,707	\$ -	\$ 12,647,707	\$ -	\$ 1,514,269	\$ 11,133,438
Notes and bonds issued under repurchase agreements	86,371,623	-	86,371,623	86,371,623	-	-
Total	\$ 99,019,330	\$ -	\$ 99,019,330	\$ 86,371,623	\$ 1,514,269	\$ 11,133,438

Note 1: Financial instruments include master netting arrangements and non-cash collateral.

Note 2: Derivative instruments include hedging derivative financial.

KGI Life Insurance

KGI Life Insurance holds financial instruments in accordance with paragraph 42 of IAS 32 recognized by the FSC and the related assets and liabilities are offset on the balance sheet.

KGI Life Insurance may perform transactions not meeting the requirements of offsetting but has enforceable master netting arrangement or other similar agreements with the counterparties. When both parties agree to settle in net amount, financial assets and financial liabilities could be offset and settled in net amount, and if not, in total amount. However, if any party in the transaction defaults, the other party can choose net settlement.

Related information about above offsetting financial assets and financial liabilities are as follows:

June 30, 2024						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Received	
Derivative financial instruments	\$ 742,621	\$ -	\$ 742,621	\$ 605,729	\$ 89,237	\$ 47,655

June 30, 2024						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Pledged	
Derivative financial instruments	\$ 18,591,832	\$ -	\$ 18,591,832	\$ 605,729	\$ 12,264,586	\$ 5,721,517

December 31, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Received	
Derivative financial instruments	\$ 19,422,920	\$ -	\$ 19,422,920	\$ 3,770,093	\$ 8,383,839	\$ 7,268,988

December 31, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Pledged	
Derivative financial instruments	\$ 5,612,137	\$ -	\$ 5,612,137	\$ 3,770,093	\$ 159,346	\$ 1,682,697

June 30, 2023						
Financial Assets Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Assets (a)	Gross Amounts of Recognized Financial Liabilities Offset in the Balance Sheet (b)	Net Amounts of Financial Assets Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Received	
Derivative financial instruments	\$ 2,089,908	\$ -	\$ 2,089,908	\$ 1,615,935	\$ 205,802	\$ 268,171

June 30, 2023						
Financial Liabilities Subject to Offsetting, Enforceable Master Netting Arrangements or Similar Agreements						
Types of Financial Instruments	Gross Amounts of Recognized Financial Liabilities (a)	Gross Amounts of Recognized Financial Assets Offset in the Balance Sheet (b)	Net Amounts of Financial Liabilities Presented in the Balance Sheet (c)=(a)-(b)	Amounts not Offset in the Balance Sheet (d)		Net Amount (e)=(c)-(d)
				Financial Instruments	Cash Collateral Pledged	
Derivative financial instruments	\$ 22,106,641	\$ -	\$ 22,106,641	\$ 1,615,935	\$ 12,720,605	\$ 7,770,101

51. CAPITAL MANAGEMENT

a. Capital management objective

The basic management objective includes eligible capital to meet the requirements of the regulation and achieve the minimum capital adequacy ratio so as to control all risks within the risk appetite. In order to undertake all kinds of risk, the Group conducts risk management based on the risk portfolio and the assessment of risk characteristics to design the best capital allocation.

b. Capital management procedures

The Group had met the authorities' minimum requirements for capital adequacy ratio and reported to the authority quarterly. Eligible capital and legal capital were calculated according to the "Regulations Governing the Capital Adequacy and Capital Category of Banks".

c. Group's capital adequacy ratio (CAR)

(In Thousands of New Taiwan Dollars; %)

Company \ Items	June 30, 2024		
	% of Ownership	Group's Eligible Capital	Group's Legal Capital Demand
The Company		\$ 310,448,963	\$ 355,678,973
KGI Bank	100.00	78,977,765	62,650,164
KGI Securities	100.00	31,491,668	17,927,163
CDIB Capital Group	100.00	30,075,038	18,017,656
China Development Asset Management Corp.	100.00	1,480,433	913,008
KGI Life Insurance	100.00	201,037,836	120,798,122
KGI Securities Investment Trust	100.00	530,694	329,721
Deduct items		380,027,586	353,976,806
Subtotal		274,014,811 (A)	222,338,001 (B)
Group's CAR (C)=(A)÷(B)			123.24 (C)

(In Thousands of New Taiwan Dollars; %)

Items Company	December 31, 2023		
	% of Ownership	Group's Eligible Capital	Group's Legal Capital Demand
The Company		\$ 275,341,180	\$ 321,109,843
KGI Bank	100.00	79,563,894	57,175,261
KGI Securities	100.00	29,749,765	15,337,317
CDIB Capital Group	100.00	30,083,341	17,401,446
China Development Asset Management Corp.	100.00	1,473,169	955,393
KGI Life Insurance	100.00	165,709,467	97,484,094
KGI Securities Investment Trust	100.00	561,381	345,243
Deduct items		346,379,327	319,738,518
Subtotal		236,102,870 (A)	190,070,079 (B)
Group's CAR (C)=(A)÷(B)			124.22 (C)

(In Thousands of New Taiwan Dollars; %)

Items Company	June 30, 2023		
	% of Ownership	Group's Eligible Capital	Group's Legal Capital Demand
The Company		\$ 257,851,316	\$ 300,912,807
KGI Bank	100.00	77,182,160	57,492,879
KGI Securities	100.00	26,249,023	14,781,618
CDIB Capital Group	100.00	29,542,970	17,452,281
China Development Asset Management Corp.	100.00	1,452,380	864,234
KGI Life Insurance	100.00	146,855,261	98,039,956
Deduct items		320,559,354	299,655,519
Subtotal		218,573,756 (A)	189,888,256 (B)
Group's CAR (C)=(A)÷(B)			115.11 (C)

d. Financial holding companies' net eligible capital

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Common stock	\$ 168,086,989	\$ 168,339,806	\$ 168,377,806
Capital instruments which confirm to the term of bank's other Tier 1 capital	15,821,424	15,821,424	15,821,424
Other preferred stock and subordinated bonds	12,600,000	12,600,000	14,000,000
Capital surplus	33,725,743	33,588,602	33,515,283
Legal reserve	17,591,149	15,613,641	15,613,641
Special reserve	39,120,659	48,976,557	48,976,557
Retained earnings	36,224,504	19,775,079	10,890,617
Equity adjustment	(12,650,193)	(39,296,475)	(49,285,667)
Deduction: Capital items	(71,312)	(77,454)	(58,345)
	<u>\$ 310,448,963</u>	<u>\$ 275,341,180</u>	<u>\$ 257,851,316</u>

The Group's CARs were 123.24%, 124.22% and 115.11% as of June 30, 2024, December 31, 2023 and June 30, 2023, respectively. Since the Financial Holding Company Act and related regulations require that the Group's CAR should be at least 100%, and the Group's CARs met its requirement.

52. TRUST BUSINESS OPERATIONS UNDER THE TRUST ENTERPRISES ACT

- a. The balance sheets and income statements of the trust accounts and trust property accounts of KGI Bank were as follows:

Balance Sheets of Trust Accounts							
(In Thousands of New Taiwan Dollars)							
Trust Assets	June 30, 2024	December 31, 2023	June 30, 2023	Trust Liabilities	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	\$ 4,856,820	\$ 3,778,800	\$ 3,268,785	Payables	\$ 84,489	\$ 85,700	\$ 84,947
Short-term investments				Payables on securities under custody	2,184,932	2,867,578	3,946,853
Funds	30,365,731	27,579,033	27,891,536	Other liabilities	57,818	46,923	60,164
Bonds	12,927,115	10,711,522	9,191,942	Trust capital	63,713,578	57,413,114	53,607,742
Common shares	205,340	141,482	145,743	Accumulated profits and losses	32,404	15,719	23,110
Structured notes	239,720	78,457	34,560				
Receivables	9,754	72	13,115				
Securities under custody	2,184,932	2,867,578	3,946,853				
Real estate							
Lands	14,247,525	14,234,149	12,184,641				
Buildings and facilities	13,163	16,426	22,570				
Intangible assets - surface right	984,534	984,534	984,534				
Other assets	38,587	36,981	38,537				
Total	<u>\$ 66,073,221</u>	<u>\$ 60,429,034</u>	<u>\$ 57,722,816</u>	Total	<u>\$ 66,073,221</u>	<u>\$ 60,429,034</u>	<u>\$ 57,722,816</u>

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Trust income and gains				
Dividend income	\$ 9,220	\$ 2,533	\$ 15,412	\$ 4,790
Interest income	541,410	385,761	1,069,818	812,690
Rental income	6,746	6,770	13,482	13,495
Other income	604	1,208	2,341	2,225
Total trust income and gains	<u>557,980</u>	<u>396,272</u>	<u>1,101,053</u>	<u>833,200</u>
Trust expenses				
Properties transaction losses	(282,840)	(560,841)	(646,919)	(1,237,395)
Administrative expenses	(105)	(115)	(910)	(1,336)
Other expenses	(3,265)	(3,132)	(7,627)	(5,370)
Total trust expenses	<u>(286,210)</u>	<u>(564,088)</u>	<u>(655,456)</u>	<u>(1,244,101)</u>
Net profit (loss) for the period	<u>\$ 271,770</u>	<u>\$ (167,816)</u>	<u>\$ 445,597</u>	<u>\$ (410,901)</u>

The above income from trust operations were excluded from KGI Bank's income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	\$ 4,856,820	\$ 3,778,800	\$ 3,268,785
Short-term investments			
Funds	30,365,731	27,579,033	27,891,536
Bonds	12,927,115	10,711,522	9,191,942
Common shares	205,340	141,482	145,743
Structured notes	239,720	78,457	34,560
Securities under custody	2,184,932	2,867,578	3,946,853
Real estate			
Lands	14,247,525	14,234,149	12,184,641
Buildings and facilities	13,163	16,426	22,570
Intangible assets - surface right	984,534	984,534	984,534
Other assets	<u>48,341</u>	<u>37,053</u>	<u>51,652</u>
Total	<u>\$ 66,073,221</u>	<u>\$ 60,429,034</u>	<u>\$ 57,722,816</u>

- b. The balance sheets and income statements of the trust accounts and trust property accounts of KGI Securities were as follows:

Balance Sheets of Trust Accounts

(In Thousands of New Taiwan Dollars)

Trust Assets	June 30, 2024	December 31, 2023	June 30, 2023	Trust Liabilities	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	\$ 2,732,471	\$ 2,912,774	\$ 2,290,525	Payables	\$ 251,756	\$ 200,636	\$ 172,070
Financial assets				Taxes payable	74	77	227
Bonds	14,290,516	11,356,875	6,802,133	Trust capital	54,611,362	50,099,575	45,273,523
Common shares	22,156,548	15,374,518	16,260,039	Net Income (loss)	12,587,912	3,529,082	2,056,761
Funds	22,046,847	19,679,943	18,475,682	Accumulated earnings	2,086,996	1,453,947	1,451,057
Short-term notes	-	-	610,246	Deferred carry-over	1,746	651	14
Structured notes	7,282,585	4,976,816	3,949,238	Others	<u>(450,163)</u>	<u>(530,582)</u>	<u>(255,807)</u>
Receivables	<u>580,716</u>	<u>452,460</u>	<u>309,982</u>				
Total	<u>\$ 69,089,683</u>	<u>\$ 54,753,386</u>	<u>\$ 48,697,845</u>	Total	<u>\$ 69,089,683</u>	<u>\$ 54,753,386</u>	<u>\$ 48,697,845</u>

Income Statements of Trust Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Trust income				
Interest income	\$ 190,954	\$ 90,183	\$ 356,421	\$ 156,644
Rent income	3,212	10,750	8,396	19,215
Dividend income	249,138	219,888	477,957	368,655
Realized investment profit	366,937	186,804	709,357	314,915
Unrealized investment profit (loss)	3,966,372	1,333,334	13,112,551	4,502,101
Other income	<u>390,177</u>	<u>348,689</u>	<u>2,227,723</u>	<u>1,308,392</u>
	<u>5,166,790</u>	<u>2,189,648</u>	<u>16,892,405</u>	<u>6,669,922</u>
Trust expenses				
Administrative expense	609	1,453	1,327	2,700
Tax Collection	1,953	1,600	4,463	3,039
Fee expense	76,748	7,266	92,506	12,182
Realized investment profit	180,639	194,601	397,961	422,317
Unrealized investment profit (loss)	129,926	(281,796)	3,205,371	3,531,592
Other expense	<u>15,100</u>	<u>(6,177)</u>	<u>602,865</u>	<u>641,331</u>
	<u>404,975</u>	<u>(83,053)</u>	<u>4,304,493</u>	<u>4,613,161</u>
Income (loss) before income tax	4,761,815	2,272,701	12,587,912	2,056,761
Income tax expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Income (loss) after income tax	<u>\$ 4,761,815</u>	<u>\$ 2,272,701</u>	<u>\$ 12,587,912</u>	<u>\$ 2,056,761</u>

The above income from trust operations were excluded from KGI Securities' income.

Trust Property Accounts

(In Thousands of New Taiwan Dollars)

Investment Portfolio	June 30, 2024	December 31, 2023	June 30, 2023
Bank deposits	\$ 2,732,471	\$ 2,912,774	\$ 2,290,525
Financial assets			
Bonds	14,290,516	11,356,875	6,802,133
Common shares	22,156,548	15,374,518	16,260,039
Funds	22,046,847	19,679,943	18,475,682
Short-term notes	-	-	610,246
Structured notes	<u>7,282,585</u>	<u>4,976,816</u>	<u>3,949,238</u>
Total	<u>\$ 68,508,967</u>	<u>\$ 54,300,926</u>	<u>\$ 48,387,863</u>

53. DISCLOSURE REQUIRED UNDER ARTICLE 46 OF THE FINANCIAL HOLDING COMPANY ACT

As of June 30, 2024, refer to Table 7 (attached).

54. CONDENSED INDIVIDUAL BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME OF GROUP

Refer to Table 8 (attached).

55. ALLOCATION OF REVENUE, COST AND EXPENSE RESULTING FROM COOPERATION AND RESOURCES SHARING IN THE GROUP

- a. Business or trading behaviors

Refer to Note 44 for related-party transactions.

- b. Integrate business activities

The Company has become a full-functioning financial platform for its customers by improving the overall business performance of the Company through integrating the insurance, investment, trust custody and channel of banking, securities and life insurance.

- c. Cross utilization of information or locations and business utilities

In compliance with Article 43 of “Financial Holding Companies Act”, “Financial Holding Subsidiaries Cross-selling Activities Acts”, “Self-disciplinary Standards” and other related regulations from FSC, the Company has advocated cross-selling activities among China development Financial Holdings and its Subsidiaries. In addition, the Company and its subsidiaries which joined the cross selling business disclosure protection measures of customer information on official website to limit the use of the data, secure the customer information and related rights when handling cross-selling activities.

- d. Allocation of revenues, costs, expenses, profits and losses

Revenue, costs, expenses, profits or losses arising from integrated business activities among subsidiaries are allocated to each subsidiary based on the related business features or other reasonable allocation methods.

56. CONTINGENCIES AND COMMITMENTS, DISASTER DAMAGES AND SUBSEQUENT EVENTS OF SUBSIDIARIES

Refer to Note 46 to the consolidated financial statements. Information on disaster damages: None.

57. SUBSIDIARIES’ ASSET QUALITY, MANAGEMENT, PROFITABILITY, LIQUIDITY AND SENSITIVITY TO MARKET RISK

Refer to Notes 47 and 50 to the consolidated financial statements.

58. SPECIFIC RISK FROM FUTURES DEALING

The futures dealer needs to maintain adequate liquidity in case of its clients fail to fulfill the contracts in the futures transactions with the features of low financial leverage nature and unpredictable market fluctuation. If the dealing business fails to maintain the amount of margin, the open contracts may be closed. Thus, the margin may be lost entirely and may require further payment of deficiency.

59. FINANCIAL RATIOS OF FUTURES-DEALING SUBSIDIARIES

The following financial ratios of KGI Securities' futures department and KGI Futures Corp. are in compliance with the requirements of the Rules Governing Futures Commission Merchants.

a. KGI Securities' futures department

Rule No.	Formula	June 30, 2024		December 31, 2023		June 30, 2023		Standard	Meet Standard
		Formula	%	Formula	%	Formula	%		
17	Equities Total liabilities minus customers' equity accounts	\$2,259,973 \$25,045	=90.24	\$2,229,746 \$114,785	=19.43	\$2,216,166 \$33,272	=66.61	≥ 1	Yes
17	Current assets Current liabilities	\$5,359,820 \$24,730	=216.74	\$2,783,912 \$114,785	=24.25	\$3,176,314 \$32,548	=97.59	≥ 1	Yes
22	Equities Capital stock	\$2,259,973 \$400,000	=564.99%	\$2,229,746 \$400,000	=557.44%	\$2,216,166 \$400,000	=554.04%	≥ 60% ≥ 40%	Yes
22	Adjusted net capital Client and proprietary account	\$1,035,767 \$2,376,166	=43.59%	\$1,950,528 \$204,319	=954.65%	\$1,808,659 \$699,460	=258.58%	≥ 20% ≥ 15%	Yes

b. KGI Futures Corp.

Rule No.	Formula	June 30, 2024		December 31, 2023		June 30, 2023		Standard	Meet Standard
		Formula	%	Formula	%	Formula	%		
17	Equities Total liabilities minus customers' equity accounts	\$4,259,630 \$884,625	=4.82	\$4,316,835 \$662,463	=6.52	\$3,892,775 \$748,137	=5.20	≥ 1	Yes
17	Current assets Current liabilities	\$48,264,282 \$45,680,022	=1.06	\$39,651,351 \$36,941,969	=1.07	\$39,349,955 \$36,987,201	=1.06	≥ 1	Yes
22	Equities Capital stock	\$4,259,630 \$760,000	=560.48%	\$4,316,835 \$760,000	=568.00%	\$3,892,775 \$760,000	=512.21%	≥ 60% ≥ 40%	Yes
22	Adjusted net capital Client and proprietary account	\$3,504,467 \$11,112,486	=31.54%	\$3,768,955 \$8,699,781	=43.32%	\$3,275,562 \$7,826,595	=41.85%	≥ 20% ≥ 15%	Yes

60. DISCLOSURES REQUIRED UNDER RULE NO. 10703209011 ISSUED BY THE FINANCIAL SUPERVISORY COMMISSION

KGI's investments in foreign enterprises are registered in a country whose securities and futures market regulators are not members of the International Organization of Securities Commissions (IOSCO), and these companies have no Multilateral Memorandum of Understanding (MMOU) members or did not get the securities or futures licenses signed by the IOSCO. Thus, KGI disclose their foreign investees' business conditions and information on related-party transactions as follows:

- Securities held: As of June 30, 2024, the reinvested company KGI International Holdings Co., Ltd. held 62,611.55 shares of Sogo Financial Group Inc.
- Derivative instruments and related capital resources: None.
- Asset management revenues, service and litigation matters: Note 48(b).
- Balance sheet: Tables 11-1 to 11-2 (attached).
- Income statement: Tables 12-1 to 12-2 (attached).

61. ADDITIONAL DISCLOSURES

a. and b. following are the additional disclosures required for the Group:

- 1) Financing provided: Not applicable to the Company, KGI Bank and KGI Life Insurance. For other subsidiaries' information: Refer to Table 1 (attached).
- 2) Collaterals/guarantees provided: Not applicable to the Company, KGI Bank and KGI Life Insurance. For other subsidiaries' information: Refer to Table 2 (attached).
- 3) Marketable securities held: Not applicable to the Company, KGI Bank, KGI Securities and partial subsidiaries and KGI Life Insurance. For other subsidiaries' information: Refer to Table 3 (attached).
- 4) Marketable securities were acquired and disposed of, at cost or prices of at least NT\$300 million or 10% of the issued capital (subsidiaries acquired and disposed of marketable securities, at cost or price of at least NT\$300 million or 10% of the issued capital): Not applicable to KGI Securities and subsidiaries. None.
- 5) Acquisition of individual real estate at cost of at least NT\$300 million or 10% of the paid-in capital: For the Group's information: None.
- 6) Disposal of individual real estate at price of at least NT\$300 million or 10% of the issued capital: For the Group's information: None.
- 7) Discount on service fees received from related parties amounting to NT\$5 million: For the Group's information: None.
- 8) Receivables from related parties amounting to NT\$300 million or 10% of the issued capital: Refer to Note 44 and Table 4 (attached).
- 9) Sale of nonperforming loans: None.
- 10) For related information on the subsidiaries' securitization products approved under the Regulation on Financial Asset Securitization: None.
- 11) Other significant transactions which may affect the decisions of financial statement users: None.
- 12) The information of investees: Refer to Table 5 (attached).
- 13) Derivative transactions of the Group: Refer to Notes 8, 48 and 50 of the consolidated financial statements.

c. Investments in mainland China: Refer to Table 9 (attached).

d. Business relationships and significant transactions among the Group: Refer to Table 10 (attached).

e. Information of major shareholders: None.

62. SEGMENT INFORMATION

The reportable segments of the Company are Commercial banking, Securities, Venture Capital and Insurance. Under the Banking Act of the Republic of China and relevant regulations, Commercial banking engaged in consumer banking, corporate banking and global market and financial institution. Under the Securities and Exchange Act and relevant regulations, Securities engaged in wealth management business, trading business and investment banking business. Venture Capital engaged in investment business directly. Insurance department operates life insurance business based on the provisions of the insurance law.

The accounting policies of the operating segments are the same as the Company's accounting policies described in Note 4. The Company uses income after tax as the measurement for segment profit and the basis of performance assessment. The net profit and income before income tax are composed of revenues and expenses directly attributable to an operating segment.

Segment Revenues and Results

Following were analysis of the Group's operating revenue and results by reportable segments:

	Commercial Banking	Securities	Venture Capital	Insurance	Other	Total
For the three months ended June 30, 2024						
Interest profit (loss), net	\$ 1,816,037	\$ 527,685	\$ 43,935	\$ 16,414,003	\$ (168,267)	\$ 18,633,393
Noninterest profit (loss), net	<u>2,065,364</u>	<u>6,533,139</u>	<u>459,486</u>	<u>(16,054,893)</u>	<u>186,951</u>	<u>(6,809,953)</u>
Net revenue (loss)	3,881,401	7,060,824	503,421	359,110	18,684	11,823,440
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(443,148)	32,657	-	(1,749)	-	(412,240)
Net change in reserve for insurance liabilities	-	-	-	8,615,989	-	8,615,989
Operating expenses	<u>(1,787,071)</u>	<u>(4,139,875)</u>	<u>(307,627)</u>	<u>(1,949,996)</u>	<u>(783,024)</u>	<u>(8,967,593)</u>
Net profit (loss) before income tax	1,651,182	2,953,606	195,794	7,023,354	(764,340)	11,059,596
Income tax benefit (expense)	<u>(203,069)</u>	<u>(439,918)</u>	<u>(19,441)</u>	<u>(1,063,390)</u>	<u>(596,946)</u>	<u>(2,322,764)</u>
Net profit (loss) for the period	<u>\$ 1,448,113</u>	<u>\$ 2,513,688</u>	<u>\$ 176,353</u>	<u>\$ 5,959,964</u>	<u>\$ (1,361,286)</u>	<u>\$ 8,736,832</u>
For the three months ended June 30, 2023						
Interest profit (loss), net	\$ 2,097,312	\$ 613,514	\$ 62,519	\$ 15,720,508	\$ (169,797)	\$ 18,324,056
Noninterest profit (loss), net	<u>1,370,538</u>	<u>4,893,108</u>	<u>1,053,937</u>	<u>(7,625,681)</u>	<u>(1,283,419)</u>	<u>(1,591,517)</u>
Net revenue (loss)	3,467,850	5,506,622	1,116,456	8,094,827	(1,453,216)	16,732,539
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(26,988)	(3,174)	(4,841)	40	-	(34,963)
Net change in reserve for insurance liabilities	-	-	-	(1,573,596)	-	(1,573,596)
Operating expenses	<u>(1,628,282)</u>	<u>(3,566,363)</u>	<u>(403,069)</u>	<u>(1,631,501)</u>	<u>(701,131)</u>	<u>(7,930,346)</u>
Net profit (loss) before income tax	1,812,580	1,937,085	708,546	4,889,770	(2,154,347)	7,193,634
Income tax benefit (expense)	<u>(224,446)</u>	<u>(248,148)</u>	<u>(16,053)</u>	<u>(241,683)</u>	<u>179,225</u>	<u>(551,105)</u>
Net profit (loss) for the period	<u>\$ 1,588,134</u>	<u>\$ 1,688,937</u>	<u>\$ 692,493</u>	<u>\$ 4,648,087</u>	<u>\$ (1,975,122)</u>	<u>\$ 6,642,529</u>
For the six months ended June 30, 2024						
Interest profit (loss), net	\$ 3,603,362	1,138,961	\$ 123,453	\$ 32,423,775	\$ (333,391)	\$ 36,956,160
Noninterest profit (loss), net	<u>4,134,771</u>	<u>13,098,425</u>	<u>846,853</u>	<u>(27,357,726)</u>	<u>(162,865)</u>	<u>(9,440,542)</u>
Net revenue (loss)	7,738,133	14,237,386	970,306	5,066,049	(496,256)	27,515,618
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(837,701)	28,330	-	(1,311)	-	(810,682)
Net change in reserve for insurance liabilities	-	-	-	11,829,426	-	11,829,426
Operating expenses	<u>(3,533,921)</u>	<u>(8,216,644)</u>	<u>(612,392)</u>	<u>(3,717,905)</u>	<u>(1,498,346)</u>	<u>(17,579,208)</u>
Net profit (loss) before income tax	3,366,511	6,049,072	357,914	13,176,259	(1,994,602)	20,955,154
Income tax benefit (expense)	<u>(426,482)</u>	<u>(703,321)</u>	<u>(55,439)</u>	<u>(1,900,690)</u>	<u>(916,619)</u>	<u>(4,002,551)</u>
Net profit (loss) for the period	<u>\$ 2,940,029</u>	<u>\$ 5,345,751</u>	<u>\$ 302,475</u>	<u>\$ 11,275,569</u>	<u>\$ (2,911,221)</u>	<u>\$ 16,952,603</u>

(Continued)

	Commercial Banking	Securities	Venture Capital	Insurance	Other	Total
For the six months ended <u>June 30, 2023</u>						
Interest profit (loss), net	\$ 4,122,251	\$ 1,215,197	\$ 118,436	\$ 31,016,477	\$ (339,073)	\$ 36,133,288
Noninterest profit (loss), net	<u>2,707,520</u>	<u>9,681,396</u>	<u>2,500,100</u>	<u>(20,798,750)</u>	<u>(1,883,230)</u>	<u>(7,792,964)</u>
Net revenue (loss)	6,829,771	10,896,593	2,618,536	10,217,727	(2,222,303)	28,340,324
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	66,282	(4,196)	(4,841)	(1,892)	-	55,353
Net change in reserve for insurance liabilities	-	-	-	(2,419,817)	-	(2,419,817)
Operating expenses	<u>(3,253,029)</u>	<u>(6,909,599)</u>	<u>(877,113)</u>	<u>(3,123,192)</u>	<u>(1,273,220)</u>	<u>(15,436,153)</u>
Net profit (loss) before income tax	3,643,024	3,982,798	1,736,582	4,672,826	(3,495,523)	10,539,707
Income tax benefit (expense)	<u>(458,810)</u>	<u>(462,172)</u>	<u>(105,171)</u>	<u>327,017</u>	<u>306,532</u>	<u>(392,604)</u>
Net profit (loss) for the period	<u>\$ 3,184,214</u>	<u>\$ 3,520,626</u>	<u>\$ 1,631,411</u>	<u>\$ 4,999,843</u>	<u>\$ (3,188,991)</u>	<u>\$ 10,147,103</u>

(Concluded)

TABLE 1

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

FINANCINGS PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

No.	Financier	Counterparty	Financial Statement Account	Related-party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Interest Rate	Nature of Financing Provided	Transaction Amount	Financing Reasons	Allowance for Bad Debt	Collateral		Financial Limit for Each Borrowing Company	Limit on Financier's Total Financing
													Item	Value		
1	KGI International Holdings Limited	KGI Asia Limited	Receivables, net	Yes	\$ 1,622,500	\$ 1,622,500	\$ -	Floating	Short-term financing	\$ -	Working capital	\$ -	-	\$ -	\$ 19,294,348 (Note 1)	\$ 19,294,348 (Note 1)
2	KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	Receivables, net	Yes	519,200	519,200	519,200	7.23%	Short-term financing	-	Working capital	-	-	-	6,842,829 (Note 2)	6,842,829 (Note 2)

Note 1: KGI International Holdings Limited’s financing limit is based on the “Loan of Funds Making Guideline”. The guideline states that, for each and for all of the borrowing companies, the total amount available for financing should not exceed the net worth of the financing company.

Note 2: KGI International (Hong Kong) Limited’s financing limit is based on the “Loan of Funds Making Guideline”. The guideline states that, for each and for all of the borrowing companies, the total amount available for financing should not exceed the net worth of the financing company.

Note 3: Those that have been included in the consolidated financial statement have been completely written off.

TABLE 2

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

COLLATERALS/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

No.	Collaterals/Guarantee Provider	Counterparty		Limits on Each Counterparty’s Collateral/ Guarantee Amounts	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Carrying Value (As of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Nature of Relationship										
1	KGI Securities Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	Note 1	\$ 6,300,864	\$ 955,996	\$ 954,009	\$ 954,009	\$ -	1.51%	\$ 25,203,457 (Note 2)	No	No	No
2	KGI International Holdings Limited	KGI Asia Limited	Note 1	19,294,348	1,298,000	1,298,000	-	-	6.73%	19,294,348 (Note 3)	No	No	No
		KGI International Finance Limited	Note 1	19,294,348	649,000	649,000	-	-	3.36%	19,294,348 (Note 3)	No	No	No
		KGI Finance Limited	Note 1	19,294,348	81,125	81,125	-	-	0.42%	19,294,348 (Note 3)	No	No	No
		KGI International (Hong Kong) Limited	Note 1	19,294,348	2,038,440	2,038,099	-	-	10.56%	19,294,348 (Note 3)	No	No	No
		KGI Asia (Holdings) Pte. Ltd.	Note 1	19,294,348	4,333,434	4,286,690	2,591,792	-	22.22%	19,294,348 (Note 3)	No	No	No
		KGI Securities (Singapore) Pte. Ltd.	Note 1	19,294,348	4,218,500	4,218,500	-	-	21.86%	19,294,348 (Note 3)	No	No	No
3	CDIB Capital Group	CDIB Capital Investment I Limited	Note 1	7,579,869	1,627,100	1,622,500	-	-	5.39%	12,033,336 (Note 4)	No	No	No
		CDIB Global Markets Limited	Note 1	7,012,694	1,627,100	1,622,500	-	-	5.39%	12,033,336 (Note 4)	No	No	No

Note 1: The Group has directly or indirectly over 50% voting right of the company.

Note 2: The limit of maximum guarantee provided by KGI Securities Co., Ltd. is based on “Corporate Endorsement, Guarantee Making Guideline”. For each company, the amount of guarantee should not exceed 10% of the guarantee provider’s net asset value. The total amount available for collaterals or guarantee should not exceed 40% of the guarantee provider’s net asset value.

Note 3: The limit of maximum guarantee provided by KGI International Holdings Limited is based on the “Corporate Endorsement, Guarantee Making Guideline”. For each and all company, the amount of guarantee provided should not exceed the guarantee provider’s net asset value.

Note 4: The limit of maximum guarantee provided by CDIB Capital Group is based on “Financing Provided, Corporate Endorsement, Guarantee Making Guideline”. For each company, the amount of financing and guarantee provided should limit on the amount of each counterparty’s net investment in principle. The total amount of financing or guarantee should not exceed 40% of the guarantee provider’s net asset value among recent financial report. CDIB Capital Group provided guarantees to CDIB Capital Investment I Limited and CDIB Global Market Limited by sharing credit lines, total NT\$1,622,500 thousand.

TABLE 3

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

MARKETABLE SECURITIES HELD
JUNE 30, 2024
(In Thousands of New Taiwan Dollars/Foreign Currencies)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Group	<u>Stocks</u>							
	Logitech Inc.	-	Financial assets at fair value through profit or loss	3,261,773	\$ 11,082	10.69	\$ 11,082	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	19,827	10.83	19,827	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	61,947	6.04	61,947	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	26,273	8.40	26,273	
	AMIA Co., Ltd	-	Financial assets at fair value through profit or loss	4,549,000	183,325	6.50	183,325	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,186,209	82,042	6.97	82,042	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	35,407	6.47	35,407	
	ASIA BEST LIFE CARE CO., LTD.	-	Financial assets at fair value through profit or loss	8,243,507	88,386	4.81	88,386	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	444,367	1.88	444,367	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,962,720	66,217	3.32	66,217	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	6,019	1.38	6,019	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	24,954	4.77	24,954	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	10,936	10.43	10,936	
	ASIA BEST HEALTHCARE CO., LTD.	-	Financial assets at fair value through profit or loss	12,612	2,597	4.72	2,597	
	Eden (Cayman) Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	57,028	3.55	57,028	
	Pyxis Oncology Inc.	-	Financial assets at fair value through profit or loss	87,841	9,435	0.22	9,435	
	Chime Biologics Limited	-	Financial assets at fair value through profit or loss	8,382,844	106,548	3.55	106,548	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	105,825	8.13	105,825	
	United Renewable Energy Co., Ltd. - Private Placement	-	Financial assets at fair value through profit or loss	2,079,360	25,004	0.13	25,004	
	CDIB Capital Innovation Accelerator Ltd.	Associate	Financial assets at fair value through profit or loss	42,326,284	467,630	35.71	467,630	
	CDIB & Partners Investment Holding Corporation	Associate	Investments accounted for using the equity method	313,200,000	5,494,301	28.71	5,494,301	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	31,622,000	193,413	38.80	193,413	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	8,633,571	368,382	21.86	368,382	
	CDIB Bio Science Ventures I, Inc.	Associate	Investments accounted for using the equity method	4,431,405	4,037	20.00	4,037	
	CDIB Capital Management Corporation	Subsidiary	Investments accounted for using the equity method	23,093,889	522,317	100.00	522,317	
	CDIB Venture Capital Corporation	Subsidiary	Investments accounted for using the equity method	535,493,708	5,838,165	100.00	5,838,165	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	925,000,000	3,486,607	100.00	3,486,607	
	CDIB Capital Investment II Limited	Subsidiary	Investments accounted for using the equity method	45,000,000	2,052,068	100.00	2,052,068	
	CDIB Global Markets Limited	Subsidiary	Investments accounted for using the equity method	339,392	7,012,694	100.00	7,012,694	
	CDIB Capital Investment I Limited	Subsidiary	Investments accounted for using the equity method	132,800,000	7,579,869	100.00	7,579,869	
	CDIB Capital International Corporation	Subsidiary	Investments accounted for using the equity method	4,700,000	553,392	100.00	553,392	
CDIB Capital Management Inc.	<u>Stocks</u>							
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,513	1.44	1,513	
	Kai-Hong Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	309,400	3,094	1.00	3,094	
	CDIB Capital Innovation Advisors Corporation	Subsidiary	Investments accounted for using the equity method	1,200,000	12,571	60.00	12,571	
	CDIB Capital Creative Industries Limited	Associate	Investments accounted for using the equity method	815,002	4,985	1.00	4,985	
	CDIB Capital Healthcare Ventures Limited	Associate	Investments accounted for using the equity method	395,000	16,854	1.00	16,854	
	CDIB Private Equity (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	51,900,000	348,543	100.00	348,543	
	<u>Funds</u>							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	45,716	-	45,716	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	35,360	-	35,360	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	14,830	-	14,830	
	CDIB & Innolux II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	8,347	-	8,347	
	CDIB-Mac Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	2,753	-	2,753	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Innovation Advisors Corporation	<u>Stocks</u> CDIB Cross Border Innovation Limited	Associate	Investments accounted for using the equity method	100	\$ 3,251	50.00	\$ 3,251	
CDIB Private Equity (Hong Kong) Corporation Limited	<u>Stocks</u> CDIB Private Equity (China) Corporation	Subsidiary	Investments accounted for using the equity method	-	HK\$ 68,340	100.00	HK\$ 68,340	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK\$ 6,303	56.00	HK\$ 6,303	
	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	HK\$ 3,799	27.08	HK\$ 3,799	
CDIB Private Equity (China) Corporation	<u>Stocks</u> CDIB Private Equity (Fujian) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 14,017	70.00	CNY 14,017	
	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 12,689	65.00	CNY 12,689	
	CDIB Private Equity (Kunshan) Corporation	Subsidiary	Investments accounted for using the equity method	-	CNY 3,938	100.00	CNY 3,938	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Subsidiary	Investments accounted for using the equity method	-	CNY 6,578	65.00	CNY 6,578	
CDIB Private Equity (Fujian) Co., Ltd.	<u>Stocks</u> CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	CNY 2,104	20.00	CNY 2,104	
CDIB Yida Private Equity (Kunshan) Co., Ltd.	<u>Stocks</u> CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Subsidiary	Investments accounted for using the equity method	-	CNY 7,649	58.33	CNY 7,649	
	<u>Funds</u> Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	CNY 4,464	-	CNY 4,464	
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	<u>Funds</u> CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	CNY 11,641	-	CNY 11,641	
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	<u>Funds</u> Kunshan Taiwanese Business Development Investment Fund Partnership (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	CNY 7,011	-	CNY 7,011	
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	<u>Funds</u> CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	CNY 4,367	-	CNY 4,367	
CDIB Venture Capital Corporation	<u>Stocks</u> Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	17,682	1.62	17,682	
	ASIA BEST LIFE CARE CO., LTD.	-	Financial assets at fair value through profit or loss	8,243,507	88,386	4.81	88,386	
	WIADVANCE TECHNOLOGY CORPORATION	-	Financial assets at fair value through profit or loss	650,000	97,500	2.87	97,500	
	Changpin wind power Ltd.	-	Financial assets at fair value through profit or loss	4,200,000	109,695	17.50	109,695	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	376,000	42,300	0.10	42,300	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,529	224,683	4.52	224,683	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	1,180,645	28,948	1.59	28,948	
	Hephas Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	696,000	75,400	2.52	75,400	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	2,899,000	630,533	0.49	630,533	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	162,815	1,529	1.61	1,529	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	30,401	0.13	30,401	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,603	95,032	6.23	95,032	
	APEX Dynamics, Inc.	-	Financial assets at fair value through profit or loss	178,000	51,086	0.22	51,086	
	Yang Bao Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	5,995,683	479,655	8.75	479,655	
	Taiwan Microloops Corp.	-	Financial assets at fair value through profit or loss	183,316	17,213	0.32	17,213	
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	54,187	5.68	54,187	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	12,612	2,597	4.72	2,597	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	-	2.68	-	
	KKday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	34,178	0.93	34,178	
	Crescendo Lab	-	Financial assets at fair value through profit or loss	3,195	5,184	2.40	5,184	
	21st Financial Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,244,745	1,297,855	7.23	1,297,855	
	CarUX Holding Limited	-	Financial assets at fair value through profit or loss	1,295,150	292,050	0.90	292,050	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	47,765	10.23	47,765	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Venture Capital Corporation	<u>Stocks</u>							
	Fractyl Health, Inc.	-	Financial assets at fair value through profit or loss	608,375	\$ 80,082	1.28	\$ 80,082	
	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	98,355	6,974	3.30	6,974	
	Qian-Kun Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	6,860,000	71,120	49.00	71,120	
	Soar Taiwan Co., Ltd.	Associate	Financial assets at fair value through profit or loss	10,662,262	106,623	14.87	106,623	
	Kai-Hong Energy Co., Ltd.	Associate	Financial assets at fair value through profit or loss	4,333,000	43,330	14.00	43,330	
	GPPC DEVELOPMENT CORP.	Associate	Investments accounted for using the equity method	5,000,000	-	14.29	-	
	iCHEF Co., Ltd.-Preferred Stock	-	Financial assets at fair value through profit or loss	11,167,513	95,418	40.74	95,418	
	4Gamers Entertainment Inc.-Preferred Stock	-	Financial assets at fair value through profit or loss	24,000	17,134	20.00	17,134	
	Asia Parents Holdings Limited-Preferred Stock	-	Financial assets at fair value through profit or loss	248,889	18,172	14.74	18,172	
	Kneron Holding Corporation-Preferred Stock	-	Financial assets at fair value through profit or loss	1,391,752	301,120	2.90	301,120	
	Elixiron Immunotherapeutics (Cayman) Limited-Preferred Stock	-	Financial assets at fair value through profit or loss	4,559,686	110,971	26.09	110,971	
	Crescendo Lab-Preferred Stock	-	Financial assets at fair value through profit or loss	8,000	12,980	16.00	12,980	
	21st Financial Technology Co., Ltd.-Preferred Stock	-	Financial assets at fair value through profit or loss	823,362	203,748	75.00	203,748	
	Zentera Systems, Inc.-Preferred Stock	-	Financial assets at fair value through profit or loss	993,379	48,675	6.81	48,675	
	Rivos Inc.-Preferred Stock	-	Financial assets at fair value through profit or loss	1,027,027	64,900	0.65	64,900	
	FUNP Co., Ltd.-Preferred Stock	-	Financial assets at fair value through profit or loss	400,000	46,728	13.86	46,728	
	Achieve Made International Limited-Preferred Stock	-	Financial assets at fair value through profit or loss	168,138	11,922	6.67	11,922	
	PChome Online Inc. - Private Placement	-	Financial assets at fair value through profit or loss	1,875,293	60,127	1.30	60,127	
	United Renewable Energy Co., Ltd. - Private Placement	-	Financial assets at fair value through profit or loss	831,744	10,001	0.05	10,001	
	United Renewable Energy Co., Ltd. - Private Placement	-	Financial assets at fair value through profit or loss	2,056,941	24,734	0.13	24,734	
	KKday.com International Company Limited-Preferred Stock CC	-	Financial assets at fair value through profit or loss	813,859	9,272	0.07	9,272	
	Elixiron Immunotherapeutics (Cayman) Limited-Preferred Stock A	-	Financial assets at fair value through profit or loss	2,679,133	65,203	13.03	65,203	
	AmazingTalker-Preferred Stock A	-	Financial assets at fair value through profit or loss	4,282,655	64,900	12.90	64,900	
	FunNow Ltd.-Preferred Stock A	-	Financial assets at fair value through profit or loss	1,851,840	83,408	20.00	83,408	
	4Gamers Entertainment Inc.-Preferred Stock B	-	Financial assets at fair value through profit or loss	8,727	6,230	4.80	6,230	
	KKday.com International Company Limited-Preferred Stock B	-	Financial assets at fair value through profit or loss	5,654,616	64,421	8.66	64,421	
	TXONE NETWORKS INC.-Preferred Stock B	-	Financial assets at fair value through profit or loss	663,072	118,342	2.77	118,342	
	FunNow Ltd.-Preferred Stock B	-	Financial assets at fair value through profit or loss	435,730	19,626	3.36	19,626	
	Traveler Co., Ltd-Preferred Stock B	-	Financial assets at fair value through profit or loss	32,077	52,336	10.85	52,336	
	KKday.com International Company Limited-Preferred Stock C	-	Financial assets at fair value through profit or loss	7,655,502	87,216	2.31	87,216	
	Traveler Co., Ltd-Preferred Stock C	-	Financial assets at fair value through profit or loss	7,955	12,979	3.20	12,979	
	Achieve Made International Limited-Preferred Stock E	-	Financial assets at fair value through profit or loss	336,276	23,843	10.00	23,843	
	Viscovery (Cayman) Holding Company Limited-Preferred Stock AA	-	Financial assets at fair value through profit or loss	300,000	4,746	15.00	4,746	
	FunNow Ltd.-Preferred Stock BB	-	Financial assets at fair value through profit or loss	576,370	25,960	12.50	25,960	
	<u>Funds</u>							
	CDIB Capital Growth Partners L.P.	Associate	Financial assets at fair value through profit or loss	-	1,123,679	-	1,123,679	
	CDIB Capital Healthcare Ventures II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	404,168	-	404,168	
	CDIB & Innolux Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	418,505	-	418,505	
	CDIB & Innolux II Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	137,726	-	137,726	
CDIB Venture Capital (Hong Kong) Corporation Limited	<u>Funds</u>							
	CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK\$ 160,228	-	HK\$ 160,228	
	CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate	Investments accounted for using the equity method	-	HK\$ 264,511	-	HK\$ 264,511	
	Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate	Financial assets at fair value through profit or loss	-	HK\$ 140,164	-	HK\$ 140,164	
CDIB Capital Investment I Limited	<u>Stocks</u>							
	Best Inc.	-	Financial assets at fair value through profit or loss	75,000	US\$ 206	0.38	US\$ 206	
	Loopin Cayman Limited	-	Financial assets at fair value through profit or loss	1,893,948	US\$ 500	3.79	US\$ 500	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US\$ 141	0.05	US\$ 141	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US\$ 80	12.50	US\$ 80	
	Viking 3 Holdings Corporation-Preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US\$ -	100.00	US\$ -	
	Rokid Corporation Ltd-Preferred stock	-	Financial assets at fair value through profit or loss	615,642	US\$ 6,351	0.78	US\$ 6,351	
	K Health, Inc.-Preferred stock C	-	Financial assets at fair value through profit or loss	496,376	US\$ 14,451	1.50	US\$ 14,451	
	CDIB X Finance I Holding Limited	Subsidiary	Investments accounted for using the equity method	5,500	US\$ (41)	100.00	US\$ (41)	
	SCBS 1 Holding Corporation	Subsidiary	Investments accounted for using the equity method	3,828	US\$ 2,377	100.00	US\$ 2,377	
	CDIB NY 5 LLC	Subsidiary	Investments accounted for using the equity method	-	US\$ 18,427	98.15	US\$ 18,427	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Capital Investment I Limited	<u>Funds</u>							
	KKR X-Ray Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,815	-	US\$ 3,815	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 33,116	-	US\$ 33,116	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 37,243	-	US\$ 37,243	
	Cottonwood-WTT Real Estate Special Situations Fund, LP	-	Financial assets at fair value through profit or loss	-	US\$ 2,717	-	US\$ 2,717	
	Alpine Investors Iceman CV-A, LP	-	Financial assets at fair value through profit or loss	-	US\$ 2,370	-	US\$ 2,370	
	Eve & Partners Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	US\$ 187	-	US\$ 187	
	CDIB Capital Global Opportunities Fund L.P.	Associate	Financial assets at fair value through profit or loss	-	US\$ 21,894	-	US\$ 21,894	
	CDIB Capital Asia Partners L.P.	Associate	Investments accounted for using the equity method	-	US\$ 53,992	-	US\$ 53,992	
	<u>Corporate bond</u>							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	24,495,833	US\$ 24,494	-	US\$ 24,494	
	CDIB Real Estate Credit Ltd.	Subsidiary of the parent company	Amortized cost financial assets	17,377,664	US\$ 17,378	-	US\$ 17,378	
SCBS 1 Holding Corporation	<u>Stocks</u>							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US\$ 2,299	2.91	US\$ 2,299	
CDIB X Finance I Holding Limited	<u>Corporate bond</u>							
	Xian Group Limited	-	Amortised cost financial assets	5,000,000	US\$ -	-	US\$ -	
CDIB Capital Investment II Limited	<u>Stocks</u>							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US\$ 4,158	2.46	US\$ 4,158	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US\$ 6,310	9.05	US\$ 6,310	
	NY4 Holdings Corporation - Preferred Stock	-	Financial assets at fair value through profit or loss	8,080,000	US\$ 9,648	100.00	US\$ 9,648	
	Indostar Everstone - Preferred Stock	-	Financial assets at fair value through profit or loss	860,332	US\$ 8,553	88.76	US\$ 8,553	
	CDIB TMK Finance Holding Limited	Subsidiary	Investments accounted for using the equity method	19,183	US\$ 20,610	100.00	US\$ 20,610	
CDIB TMK Finance Holding Limited	<u>Corporate bond</u>							
	Techmate Korea Daebu Co., Ltd.	-	Amortised cost financial assets	22,789,140,793	US\$ 16,157	-	US\$ 18,396	
CDIB Global Markets Limited	<u>Stocks</u>							
	Osaro, Inc.	-	Financial assets at fair value through profit or loss	51,095	US\$ 418	0.59	US\$ 418	
	BigCommerce Holdings, Inc.	-	Financial assets at fair value through profit or loss	30,361	US\$ 245	0.04	US\$ 245	
	Eventbrite, Inc.	-	Financial assets at fair value through profit or loss	24,904	US\$ 121	0.03	US\$ 121	
	ContextLogic, Inc.	-	Financial assets at fair value through profit or loss	3,240	US\$ 19	0.01	US\$ 19	
	Flemingo International (BVI) Ltd.-Preferred stock	-	Financial assets at fair value through profit or loss	1,048	US\$ 18,981	50.19	US\$ 18,981	
	Osaro, Inc.-Preferred stock A	-	Financial assets at fair value through profit or loss	588,739	US\$ 244	3.27	US\$ 244	
	Osaro, Inc.-Preferred stock BB	-	Financial assets at fair value through profit or loss	577,524	US\$ 558	3.16	US\$ 558	
	CDIB Pearl Holding Limited	Subsidiary	Investments accounted for using the equity method	34,000	US\$ 41,458	100.00	US\$ 41,458	
	<u>Corporate bond</u>							
	42Matrville Investment Trust	-	Amortised cost financial assets	10,625,714	US\$ 6,904	-	US\$ 7,043	
	Weave Living Real Estate II Limited	-	Amortised cost financial assets	2,076,944	US\$ 2,050	-	US\$ 2,077	
	Weave Living Real Estate Limited	-	Amortised cost financial assets	6,881,539	US\$ 6,792	-	US\$ 6,882	
	Weave Living Real Estate SG Limited	-	Amortised cost financial assets	540,067	US\$ 533	-	US\$ 540	
	<u>Funds</u>							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US\$ 3,194	-	US\$ 3,194	
	Alpha Intelligence Capital Fund II, SCSp, SICAV-RAIF	-	Financial assets at fair value through profit or loss	-	US\$ 6,373	-	US\$ 6,373	
	AIC Tahoe, Limited Partnership	Associate	Financial assets at fair value through profit or loss	-	US\$ 9,490	-	US\$ 9,490	
	<u>Convertible (exchange) corporate bond</u>							
	Amber Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	-	US\$ 45,137	-	US\$ 45,137	
	Orchid Investment Holdings	Associate	Financial assets at fair value through profit or loss	-	US\$ 26,509	-	US\$ 26,509	
	CDIB Medtech Holdings Limited	Associate	Financial assets at fair value through profit or loss	-	US\$ 19,000	-	US\$ 19,000	
	CDIB Medtech Investment Partners Limited	Associate	Financial assets at fair value through profit or loss	-	US\$ 47,500	-	US\$ 47,500	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
CDIB Pearl Holding Limited	<u>Funds</u>							
	KKR Asian Fund III L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 1,513	-	US\$ 1,513	
	Ardian Buyout Fund VII A S.L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,445	-	US\$ 3,445	
	Permira VII L.P.1	-	Financial assets at fair value through profit or loss	-	US\$ 2,587	-	US\$ 2,587	
	Insight Partners (Cayman) XI, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,071	-	US\$ 4,071	
	TA XIII-B, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,070	-	US\$ 3,070	
	Warburg Pincus Global Growth, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,242	-	US\$ 4,242	
	EQT IX (No. 1) EUR SCSp	-	Financial assets at fair value through profit or loss	-	US\$ 3,675	-	US\$ 3,675	
	KKR European Fund V (USD) SCSp	-	Financial assets at fair value through profit or loss	-	US\$ 2,523	-	US\$ 2,523	
	Carlyle Partners VII, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,293	-	US\$ 4,293	
	KKR Health Care Strategic Growth Fund L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 1,583	-	US\$ 1,583	
	Thoma Bravo Fund XIII-A, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,495	-	US\$ 3,495	
	Veritas Capital Fund VII, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,746	-	US\$ 4,746	
CDIB Real Estate Credit Ltd	<u>Corporate bond</u>							
	Sino Money Investments Limited	-	Amortised cost financial assets	4,986,569	US\$ 4,922	-	US\$ 4,987	
	StorHub Hong Kong I Limited	-	Amortised cost financial assets	1,291,923	US\$ 1,265	-	US\$ 1,292	
	StorHub Hong Kong IV Limited	-	Amortised cost financial assets	2,101,959	US\$ 2,059	-	US\$ 2,102	
	StorHub Hong Kong VI Limited	-	Amortised cost financial assets	5,477,324	US\$ 5,365	-	US\$ 5,477	
	StorHub Hong Kong V Ltd	-	Amortised cost financial assets	6,580,216	US\$ 6,445	-	US\$ 6,580	
	Belcher I (BVI) Limited	-	Amortised cost financial assets	3,576,203	US\$ 3,503	-	US\$ 3,576	
	Belcher II (BVI) Limited	-	Amortised cost financial assets	1,493,073	US\$ 1,462	-	US\$ 1,493	
	Belcher III (BVI) Limited	-	Amortised cost financial assets	1,458,242	US\$ 1,428	-	US\$ 1,458	
CDIB Capital International Corporation	<u>Stocks</u>							
	CDIB Capital International (Hong Kong) Corporation Limited	Subsidiary	Investments accounted for using the equity method	15,400,000	US\$ 7,890	100.00	US\$ 7,890	
	CDIB Buyout Partners Limited	Subsidiary	Investments accounted for using the equity method	50,000	US\$ 90	100.00	US\$ 90	
	CDIB Capital International (USA) Corporation	Subsidiary	Investments accounted for using the equity method	8,000,000	US\$ 3,407	100.00	US\$ 3,407	
	CDIB Capital Asia Partners Limited	Subsidiary	Investments accounted for using the equity method	200	US\$ 129	100.00	US\$ 129	
	CDIB Intelligence Partners Limited	Subsidiary	Investments accounted for using the equity method	-	US\$ -	100.00	US\$ -	(Note 5)
	CDIB Asia Secured Credit Opportunities GP Ltd.	Subsidiary	Investments accounted for using the equity method	-	US\$ -	100.00	US\$ -	(Note 6)
	CDIB Real Estate Credit Ltd	Subsidiary	Investments accounted for using the equity method	5,000	US\$ (466)	100.00	US\$ (466)	
CDIB NY 5 LLC	<u>Stocks</u>							
	QE Parent, LLC	-	Financial assets at fair value through profit or loss	3,022,526	US\$ 18,750	2.54	US\$ 18,750	
China Development Asset Management Corp.	<u>Stocks</u>							
	IBF Securities Co., Ltd.	-	Financial assets at fair value through profit or loss	10,712,984	130,097	0.93	130,097	
	Chinfon Commercial Bank	-	Financial assets at fair value through profit or loss	5,026,269	-	0.86	-	
	Pine Street Asset Management Corp.	-	Financial assets at fair value through other comprehensive income	3,886,190	20,860	12.25	20,860	
CDIB Management Consulting Corp.	<u>Stocks</u>							
	CDC Finance & Leasing Corp.	Subsidiary	Investments accounted for using the equity method	76,704,787	896,156	100.00	896,156	
	CDIB International Leasing Corp.	Subsidiary	Investments accounted for using the equity method	-	160,044	100.00	160,044	
CDC Finance & Leasing Corp.	<u>Stocks</u>							
	Pacific Electric Wire and Cable Co., Ltd.	-	Financial assets at fair value through other comprehensive income	546,231	16,824	0.07	16,824	
Richpoint Company Limited	<u>Stocks</u>							
	KG Investments Holdings Limited	Subsidiary	Investments accounted for using the equity method	156,864,163	US\$ 613,783	100.00	US\$ 613,783	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2024				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 2)	Fair Value	
KGI Venture Capital Co., Ltd.	<u>Stocks</u>							
	Young Shine Electric Co., Ltd.	-	Financial assets at fair value through profit or loss	553,000	\$ 79,538	2.75	\$ 79,538	
	Yield Microelectronics Corp.	-	Financial assets at fair value through profit or loss	450,000	43,560	1.53	43,560	
	Welltech Energy Inc.	-	Financial assets at fair value through profit or loss	2,200,000	43,456	5.63	43,456	
	Santi Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	800,000	25,743	0.25	25,743	
	Formosa Pharmaceutical, Inc.	-	Financial assets at fair value through profit or loss	50,000	2,827	0.04	2,827	
	JHU JIAN CATERING CO., LTD.	-	Financial assets at fair value through profit or loss	399,000	46,715	0.87	46,715	
	Gingy Technology Inc.	-	Financial assets at fair value through profit or loss	43,775	3	0.47	3	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	1,096,810	26,892	1.48	26,892	
	Yongda Food Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,100,000	9,130	4.02	9,130	
	ChenFeng Optronics Corporation	-	Financial assets at fair value through profit or loss	2,984,842	112,115	2.97	112,115	
	Nfore Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	27,296	1.43	27,296	
	Rapidtek Technologies Inc.	-	Financial assets at fair value through profit or loss	120,000	10,320	0.40	10,320	
	Deluxe Technology Group Co., Ltd.	-	Financial assets at fair value through profit or loss	632,307	12,356	0.82	12,356	
	eTreego Co., Ltd.	-	Financial assets at fair value through profit or loss	8,539,344	145,138	3.23	145,138	
	ITH CORPORATION	-	Financial assets at fair value through profit or loss	2,000,000	67,359	0.44	67,359	
	Top Bright Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	56,000	6,972	0.13	6,972	
	Win Way Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	24,000	25,200	0.07	25,200	
	Drewloong Precision, Inc.	-	Financial assets at fair value through profit or loss	148,000	23,606	0.38	23,606	
KGI Securities Investment Trust Co., Ltd.	<u>Stocks</u>							
	FundRich Securities Co., Ltd.	-	Financial assets at fair value through other comprehensive income	227,406	3,247	0.38	3,247	
	<u>Funds</u>							
	KGI Victory Money Market Fund	Funds managed by KGI Securities Investment Trust	Financial assets at fair value through profit or loss	2,226,784	26,665	0.48	26,665	

Note 1: The Group recognized the related income or loss of investees as required by regulations.

Note 2: The preferred shares held divided by the number of preferred shares outstanding is the percentage of ownership.

Note 3: No securities were treated as collaterals or warrants.

Note 4: The above companies which are the subsidiaries of the Company were eliminated from the consolidated financial statements.

Note 5: CDIB Intelligence Partners Limited conducted registration establishment on February 28, 2020, however, CDIB Intelligence Partners Limited had not invested any capital as of June 30, 2024.

Note 6: CDIB Asia Secured Opportunities GP Ltd. conducted registration establishment on September 9, 2021, however, CDIB Asia Secured Opportunities GP Ltd. had not invested any capital as of June 30, 2024.

TABLE 4

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$300 MILLION OR 10% OF THE PAID-IN CAPITAL
JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
The Company	CDIB Capital Group	Subsidiary	\$ 591,054 (Note 1)	-	\$ -	-	\$ -	\$ -
	KGI Bank	Subsidiary	1,255,552 (Note 2)	-	-	-	-	-
	KGI Securities Co., Ltd.	Subsidiary	2,460,941 (Note 2)	-	-	-	-	-
China Life Insurance Co., Ltd.	The Company	The parent company	4,312,842 (Note 3)	-	-	-	5,529	-
	KGI Securities Co., Ltd.	Subsidiary of the parent company	378,525 (Note 4)	-	-	-	374,941	-
KGI Bank	KGI Securities Co., Ltd.	Subsidiary of the parent company	364,800	-	-	-	364,800	-
KGI International (Hong Kong) Limited	KGI Securities Co., Ltd.	The parent company	450,331	-	-	-	-	-
	PT KGI Sekuritas Indonesia	Subsidiary of the parent company	522,015	-	-	-	2,815	-
	KGI Future (Hong Kong) Limited	Subsidiary of the parent company	382,610	-	-	-	382,610	-
	KGI Asia Limited	Subsidiary of the parent company	1,328,029	-	-	-	1,328,029	-
KGI Securities (Singapore) Pte. Ltd.	KGI Securities (Thailand) Public Company Limited	Associate	332,759	-	-	-	332,759	-
	KGI Asia Limited	Subsidiary of the parent company	317,515	-	-	-	317,515	-

Note 1: Tax receivable result from linked-tax system.

Note 2: Receivables result from directors’ remuneration and linked-tax system.

Note 3: Tax receivable result from rental receivables and linked-tax system.

Note 4: Tax receivable result from the sale of marketable securities and disbursement business (ACH) and other receivables, such as rent receivable from leased premises.

Note 5: The above companies which are the subsidiaries of the Company were eliminated from the consolidated financial statements.

TABLE 5

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

INFORMATION ON INVESTEE
JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company (Note 1)	Location	Main Business	Percentage of Ownership, End of Year	Carrying Value, End of Year (Note 3)	Investment Gain (Loss)	Consolidated Investment (Note 1)				Note
							Present Shares	Virtual Shares (Note 2)	Total		
									Shares	Percentage of Ownership	
The Company	CDIB Capital Group	Taipei City, Taiwan	Venture capital	100.00	\$ 29,641,382	\$ 323,753	2,041,115,913	-	2,041,115,913	100.00	
	KGI Securities	Taipei City, Taiwan	Financial service	100.00	54,655,808	5,379,795	1,817,478,544	-	1,817,478,544	100.00	
	KGI Bank	Taipei City, Taiwan	Commercial bank	100.00	69,730,556	2,763,913	4,606,162,291	-	4,606,162,291	100.00	
	China Development Asset Management Corp.	Taipei City, Taiwan	Trading and management of nonperforming loans of financial institution	100.00	1,480,433	77,478	113,360,000	-	113,360,000	100.00	
	KGI Life Insurance	Taipei City, Taiwan	Life insurance	100.00	197,937,933	10,608,079	4,920,653,131	-	4,920,653,131	100.00	
	KGI Securities Investment Trust Co., Ltd.	Taipei City, Taiwan	Securities investment and trusts	100.00	530,694	45,148	30,000,000	-	30,000,000	100.00	

- Note 1: All present shares and virtual shares of investee company held by the Company, directors, supervisors, the Company’s managers and affiliates should be included.
- Note 2:
- a. The virtual shares are those shares obtained through a transfer, on the assumption of share transfer, from equity securities purchased or derivative instrument contracts signed and linked to investee company’s equity based on agreed transaction terms and undertaking intention, and for the purpose of investing in company under the provisions of Article 36, Item 2 and Article 37 of the Company Act.
 - b. The equity securities mentioned above are specified as those securities under the provision of Article 11, Item 1 of the bylaws to the ROC Securities and Exchange Act, for example, convertible bond and warrant.
 - c. The derivative instrument contracts mentioned above are specified as those derivative instruments defined by the IFRS 9, for example, stock option.
- Note 3: The above companies which are the subsidiaries of the Company were eliminated from the consolidated financial statements.

TABLE 6

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2024, DECEMBER 31, 2023 AND JUNE 30, 2023

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
The Company	CDIB Capital Group	Venture fund	100.00	100.00	100.00	(Note 1)
	KGI Securities Co., Ltd.	Financial service	100.00	100.00	100.00	
	KGI Bank	Commercial bank	100.00	100.00	100.00	
	China Development Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	100.00	100.00	100.00	
	KGI Life Insurance Co., Ltd.	Life insurance	100.00	100.00	100.00	
	KGI Securities Investment Trust Co., Ltd.	Securities investment and trusts	100.00	100.00	-	
CDIB Capital Group	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	100.00	(Note 2)
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
	CDIB Global Markets Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment I Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Investment	100.00	100.00	100.00	
	CDIB Capital International Corporation	Private equity advisory service	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory service	100.00	100.00	100.00	(Note 3)
	CDIB Capital International (USA) Corporation	Private equity advisory service	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Intelligence Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Buyout Partners Limited	Private equity advisory service	100.00	100.00	100.00	
	CDIB Asia Secured Credit Opportunities GP Ltd.	Private equity advisory service	100.00	100.00	100.00	
	CDIB Real Estate Credit Ltd.	Investment	100.00	100.00	-	
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment holdings	100.00	100.00	100.00	(Note 3)
	CDIB X Finance I Holding Limited	Investment	100.00	100.00	100.00	
	CDIB NY5 LLC	Investment holdings	98.15	98.13	-	
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Investment	100.00	100.00	100.00	
CDIB Global Markets Limited	CDIB Pearl Holding Limited	Investment	100.00	100.00	100.00	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	60.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	27.08	(Note 1)
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	56.00	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Fund management	70.00	70.00	70.00	
	CDIB Private Equity (Kunshan) Corporation	Fund management	100.00	100.00	100.00	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	65.00	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	20.00	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co., Ltd.	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	58.34	58.34	58.34	
KGI Securities Co., Ltd.	Richpoint Company Limited	Investment holdings	100.00	100.00	100.00	
	KGI Securities Investment Advisory Co., Ltd.	Security investment consulting	100.00	100.00	100.00	
	KGI Insurance Brokers Co., Ltd.	Life/property insurance brokers	100.00	100.00	100.00	
	KGI Venture Capital Co., Ltd.	Venture fund	100.00	100.00	100.00	
	KGI Securities Investment Trust Co., Ltd.	Securities investment and trusts	-	-	100.00	
	KGI Futures Co., Ltd.	Futures investment services	99.61	99.61	99.61	
KGI Futures Co., Ltd.	KGI Information Technology Co., Ltd.	Management and consulting, software services, data processing and digital information supply services	100.00	100.00	100.00	
Richpoint Company Limited	KG Investments Holdings Limited	Investment holdings	100.00	100.00	100.00	
KG Investments Holdings Limited	KGI International Holdings Limited	Investment holdings	100.00	100.00	100.00	
KGI International Holdings Limited	KGI Limited	Investment holdings	100.00	100.00	100.00	
	KGI International Limited	Investment holdings	100.00	100.00	100.00	
KGI Limited	KGI Futures (Hong Kong) Limited	Futures brokerage and settlement services	100.00	100.00	100.00	
	Global Treasure Investments Limited	Investment services	100.00	100.00	100.00	
	KGI Investments Management Limited	Insurance brokerage	100.00	100.00	100.00	
	KGI International Finance Limited	Investment and financing services	100.00	100.00	100.00	
	KGI Hong Kong Limited	Management and consulting	100.00	100.00	100.00	
	KGI Asia Limited	Securities investment	100.00	100.00	100.00	
	KGI Capital Asia Limited	Securities investment	100.00	100.00	100.00	
	KGI Asset Management Limited	Asset management	100.00	100.00	100.00	
	KGI Nominees (Hong Kong) Limited	Trust agent	100.00	100.00	100.00	
KGI International Limited	KGI Asia (Holdings) Pte. Ltd.	Investment holdings	100.00	100.00	100.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2024	December 31, 2023	June 30, 2023	
KGI Capital Asia Limited	KGI International (Hong Kong) Limited	Derivative product services	100.00	100.00	100.00	
	KGI Finance Limited	Investment and financing services	100.00	100.00	100.00	
	PT KGI Sekuritas Indonesia	Securities investment	99.00	99.00	99.00	
KGI Asia (Holdings) Pte. Ltd.	KGI Securities (Singapore) Pte. Ltd.	Securities and futures investment	100.00	100.00	100.00	
KGI Bank	CDIB Management Consulting Corporation	Management and consulting	100.00	100.00	100.00	
CDIB Management Consulting Corporation	CDC Finance & Leasing Corp.	Leasing	100.00	100.00	100.00	
	CDIB International Leasing Corp.	Leasing	100.00	100.00	100.00	

Note 1: KGI Securities Investment Trust Co., Ltd. was converted to the Company’s direct ownership on July 1, 2023, after KGI Securities Co., Ltd. reduced its capital in-kind against its shares.

Note 2: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020, however, CDIB Intelligence Partners Limited had not invested any capital as of June 30, 2024.

Note 3: CDIB Asia Secured Credit Opportunities GP Ltd. conducted registration of establishment on September 9, 2021, however, CDIB Asia Secured Credit Opportunities GP Ltd. had not invested any capital as of June 30, 2024.

(Concluded)

TABLE 7

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

**DECLARATION OF SUBSIDIARIES' CREDITS, ENDORSEMENTS OR OTHER
TRANSACTIONS WITH THE SAME PERSON, RELATED PARTY OR AFFILIATE
JUNE 30, 2024
(In Millions of New Taiwan Dollars; %)**

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
1. The same customer		
National Treasury Administration, Ministry of Finance, R.O.C.	\$ 109,288	36.68
United States Department of the Treasury	70,884	23.79
TSMC	48,460	16.27
EMIRATES NBD BANK PJSC	36,246	12.17
BNP-PARIBAS SA	35,665	11.97
AT&T Inc	33,095	11.11
Verizon Communications Inc	31,716	10.65
BARCLAYS PLC	31,705	10.64
BANK OF AMERICA CORP	31,563	10.59
UNITED MEXICAN STATES	31,320	10.51
Comcast Corporation	31,065	10.43
JPMORGAN CHASE&CO	30,537	10.25
CAPITAL INVESTMENT TRUST CORP.	29,685	9.96
Kingdom of Saudi Arabia	29,451	9.89
CITIGROUP INC	29,238	9.81
DEUTSCHE BANK AG	29,025	9.74
Cathay Securities Investment Trust Co., LTD	28,712	9.64
QNB Finance Ltd.	26,615	8.93
Natixis S.A.	25,408	8.53
The National Copper Corporation of Chile	24,701	8.29
WELLS FARGO & COMPANY	23,775	7.98
NOMURA INTL FUNDING PTE	23,762	7.98
BANK OF NOVA SCOTIA, TORONTO, CANADA	23,689	7.95
Yuanta Securities Investment Trust Co., Ltd.	23,632	7.93
SOCIETE GENERALE, PARIS, FRANCE	23,539	7.90
EDF	23,311	7.82
Raytheon Technologies Corporation	22,754	7.64
Republic Of Indonesia	22,631	7.60
ROYAL BANK OF CANADA, TORONTO, CANADA	22,468	7.54
Cathay Life Insurance Co., Ltd.	22,046	7.40
Intel Corp.	21,939	7.36
Comision Federalde Electricidad	20,883	7.01
BlackRock, Inc.	20,758	6.97
UBS AG	19,473	6.54

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
GOLDMAN SACHS GROUP INC.	\$ 18,902	6.34
Fubon Asset Management Co., Ltd.	18,055	6.06
MALAYAN BANKING BERHAD (MAYBANK)	17,912	6.01
Tencent Holdings Limited	17,635	5.92
HSBC HOLDINGS PLC	17,629	5.92
Walt Disney Co	17,504	5.88
STANDARD CHARTERED PLC	17,369	5.83
Anheuser-Busch InBev Worldwide Inc.	17,293	5.80
RUSSIAN FEDERATION	17,220	5.78
NATIONAL AUSTRALIA BANK	16,577	5.56
Morgan Stanley	16,521	5.55
Petronas Capital Limited	16,265	5.46
REPUBLIC OF PERU	16,057	5.39
Oracle Corporation	15,810	5.31
ADCB Finance (Cayman) Limited	14,927	5.01
MUFG BANK LTD.	14,724	4.94
FIRST ABU DHABI BANK PJS	14,528	4.88
Takeda Pharmaceutical Co., Ltd.	14,216	4.77
STATE OF QATAR	14,170	4.76
RELIANCE INDUSTRIES LIMITED	14,055	4.72
United Microelectronics Corporation	14,026	4.71
CVS Health Corp	13,665	4.59
CREDIT AGRICOLE SA	13,271	4.45
Southern Copper Corporation	13,237	4.44
COOPERATIEVE RABOBANK UA	12,896	4.33
ALIBABA GROUP HOLDING	12,697	4.26
CCB Life Insurance Co., Ltd.	12,404	4.16
Banco Santander SA	12,269	4.12
HON HAI PRECISION INDUSTRY CO., LTD.	12,245	4.11
Saudi Arabian Oil Company	11,914	4.00
COMMONWEALTH BANK OF AUSTRALIA	11,328	3.80
E.SUN Commercial Bank, Ltd.	11,250	3.78
Morgan Stanley Finance LLC	11,033	3.70
AMAZON.COM, INC.	10,809	3.63
MEGA BILLS FINANCE CO., LTD	10,705	3.59
Sumitomo Mitsui Financial Group Inc	10,201	3.42
PT Pertamina (Persero)	10,129	3.40
Lockheed Martin Corporation	10,018	3.36
CREDIT AGRICOLE CIB SA	10,009	3.36
APPLE INC	9,717	3.26
WESTPAC BANKING CORPORATION, SYDNEY, AUSTRALIA	9,457	3.17
BPCESA	9,433	3.17
Fubon Financial Holding Co., Ltd.	9,324	3.13
SANTANDER INTL PROD PLC	8,924	3.00
Bristol-Myers Squibb Co.	8,508	2.86
SCSB	8,506	2.86
Suyin KGI Consumer Finance Co., Ltd.	8,356	2.80

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
Chailease Holding Company Limited	\$ 8,278	2.78
Cathay Financial Holdings Co., Ltd.	8,267	2.78
KOMMUNALBANKEN AS	8,113	2.72
ING GROUP NV	8,017	2.69
Fubon Securities Co., Ltd.	7,971	2.68
Fubon Life Insurance Co., Ltd.	7,940	2.67
Taiwan Cement Corp.	7,656	2.57
Taishin International Bank CO., LTD.	7,647	2.57
Yuanta Securities Co., Ltd.	7,631	2.56
Fuh Hwa Securities Investment Trust Co., Ltd.	7,543	2.53
MDGH - GMTN BV	7,509	2.52
CTBC Bank Co., Ltd.	7,500	2.52
GRUPO TELEVISA SAB	7,491	2.51
FedEx	7,466	2.51
BANK OF MONTREAL	7,464	2.51
Abu Dhabi Commercial Bank	7,269	2.44
FED REPUBLIC OF BRAZIL	7,073	2.37
AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED,	7,024	2.36
LLOYDS BANKING GROUP PLC	6,796	2.28
Perusahaan Listrik Negara PT	6,698	2.25
Enterprise Products Operating LLC	6,651	2.23
Agricultural Bank of Taiwan	6,644	2.23
TransCanada PipeLines Limited	6,642	2.23
Anheuser-Busch InBev Finance Inc	6,627	2.22
Union Pacific Corp	6,556	2.20
Federal Government of the United Arab Emirates	6,490	2.18
MANULIFE FINANCIAL CORP	6,425	2.16
DELTA ELECTRONICS, INC.	6,307	2.12
ASIA CEMENT CORPORATION	6,278	2.11
HUA NAN COMMERCIAL BANK, LTD	6,207	2.08
BANK SINOPAC CO., LTD.	5,814	1.95
CITIC Limited (original: CITIC Pacific Limited)	5,703	1.91
Fox Corporation	5,555	1.86
PARAMOUNT GLOBAL INDUSTRIES LIMITED	5,510	1.85
TELEFONICA EMISIONES SAU	5,395	1.81
Mega Financial Holding Company Limited.	5,392	1.81
Landesbank Baden-Wuerttemberg	5,298	1.78
CTBC Investments Co., Ltd.	5,289	1.78
Sinopec Group Overseas Development (2018) Limited	5,246	1.76
Chunghwa Telecom Co., Ltd.	5,197	1.74
ABRDN PLC Group	5,187	1.74
Nan Shan Life Insurance Co., Ltd.	5,118	1.72
Taishin Financial Holding Co., Ltd.	5,114	1.72
LLOYDS BANK PLC	5,108	1.71
Taiwan Mobile Co., Ltd.	5,084	1.71
Taishin Securities Investment Trust Co., Ltd.	5,074	1.70

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
China Construction Bank Corporation	\$ 4,932	1.66
PHOENIX LEAD LTD	4,871	1.63
CHINA CINDA FIN 2017 III	4,836	1.62
BLACKSTONE HOLDINGS FINA	4,829	1.62
CHAILEASE FINANCE CO., LTD.	4,824	1.62
ABN AMRO BANK NV	4,809	1.61
TOTAL CAPITAL INTL SA	4,750	1.59
Industrial and Commercial Bank of China Limited	4,616	1.55
Novatek Microelectronics Corporation	4,612	1.55
E. SUN FINANCIAL HOLDING COMPANY, LTD.	4,551	1.53
The Export-Import Bank of the Republic of China	4,413	1.48
ROMANIA	4,299	1.44
Far EasTone Telecommunications Co., Ltd.	4,239	1.42
Quanta Computer Inc.	4,200	1.41
Cathay United Bank Company Limited	4,169	1.40
Realtek Semiconductor Corp.	4,169	1.40
First Financial Holding Co., Ltd.	4,017	1.35
AIA GROUP LTD	3,979	1.34
REPUBLIC OF PHILIPPINES	3,881	1.30
SinoPac Securities Co., Ltd.	3,798	1.27
Shell International Finance BV	3,720	1.25
Agricultural Bank of China Limited	3,719	1.25
GlobalWafers Co., Ltd.	3,704	1.24
REPUBLIC OF CHILE	3,704	1.24
UNI-PRESIDENT ENTERPRISES CORP.	3,637	1.22
Bank of China Limited	3,626	1.22
Qualcomm Incorporated	3,626	1.22
Nan Ya Plastics Corporation	3,591	1.21
AMERICA MOVIL SAB DE CV	3,582	1.20
EUROPEAN INVESTMENT BANK	3,535	1.19
JSL CONSTRUCTION & DEVELOPMENT CO., LTD.	3,530	1.18
Taipei Fubon Commercial Bank Co., Ltd.	3,477	1.17
FANNIE MAE	3,463	1.16
Macquarie Super Core Infrastructure	3,357	1.13
RUENTEX DEVELOPMENT CO., LTD.	3,354	1.13
HSBC BANK PLC	3,348	1.12
Brookfield Super-Core Infra NUS L.P	3,307	1.11
China Development Bank	3,275	1.10
Hyundai Capital America	3,264	1.10
TAIWAN POWER COMPANY	3,251	1.09
AXA SA	3,245	1.09
FREDDIE MAC	3,190	1.07
Mitsubishi UFJ Financial Group, Inc.	3,158	1.06
Rogers Communications Inc.	3,152	1.06
Hong Pu Real Estate Development Co., LTD	3,119	1.05
Grand Bills Finance Corporation	3,079	1.03

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
BROOKFIELD INFRA IV-A LP	\$ 3,039	1.02
Foxwell Energy Corporation Ltd.	3,000	1.01
Total	\$ 2,167,849	727.66
2. The same group		
Lin Yuan Group	\$ 70,777	23.76
Fubon Group	53,268	17.88
TSMC Group	52,198	17.52
Yuanta Group	37,646	12.64
Investment Corp of Dubai Group	36,246	12.17
BNP Paribas Group	36,026	12.09
BPCE Group	34,842	11.69
HONG TAI Group	34,801	11.68
AT&T Inc Group	33,095	11.11
Verizon Communications Inc Group	31,716	10.65
Barclays Bank Group	31,705	10.64
Bank of America Group	31,570	10.60
CITI Group	31,444	10.55
JPMORGAN CHASE Group	31,285	10.50
COMCAST Group	31,065	10.43
Deutsche Bank Group	29,025	9.74
MORGAN STANLEY Group	28,057	9.42
Qatar National Bank Group	26,615	8.93
HSBC Group	26,319	8.83
Societe Generale Group	24,905	8.36
Codelco Group	24,701	8.29
Anheuser-Busch InBev Group	24,235	8.13
NOMURA Group	23,906	8.02
Wells Fargo Bank Group	23,775	7.98
BANK OF NOVA SCOTIA Group	23,689	7.95
EDF Group	23,311	7.82
Credit Agricole SA Group	23,284	7.82
Mega Financial Holding Group	22,847	7.67
Raytheon Company Group	22,754	7.64
Royal Bank of Canada Group	22,468	7.54
Abu Dhabi Commercial Bank Group	22,196	7.45
BLACKROCK Group	21,954	7.37
Intel Group	21,939	7.36
UMC Group	21,874	7.34
Goldman Sachs Group	21,507	7.22
BANCO SANTANDER SA Group	21,192	7.11
COMISION FEDERAL DE ELEC Group	20,883	7.01
UBS Group	20,346	6.83
Foxconn Technology Group	20,252	6.80
Taishin Group	19,688	6.61
Malayan Banking Berhad Group	17,912	6.01
Far Eastern Group	17,886	6.00

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
MUFG Group	\$ 17,883	6.00
Tencent Group	17,635	5.92
The Walt Disney Company Group	17,504	5.88
CTBC Group	17,460	5.86
Standard Chartered Group	17,369	5.83
China Construction Bank Group	17,336	5.82
Chailease Group	16,796	5.64
National Australia Bank Group	16,577	5.56
RELIANCE INDUSTRIES LIMITED Group	16,528	5.55
PETRONAS Group	16,265	5.46
E.SUN Financial Holding Group	16,001	5.37
Oracle Group	15,810	5.31
YFY Group	15,770	5.29
Saudi Arabian Oil Co Group	14,908	5.00
FAB Group	14,528	4.88
TAKEDA PHARMACEUTICAL Group	14,216	4.77
CVS Health Corp Group	13,665	4.59
Mexico Group	13,237	4.44
Rabobank Group	12,896	4.33
Alibaba Group	12,697	4.26
Shin Kong Group	12,084	4.06
Westpac Banking Group	12,057	4.05
LLOYDSBK Group	11,904	4.00
Commonwealth Bank of Australia Group	11,328	3.80
Amazon.com, Inc. Group	10,809	3.63
Ruentex Group	10,397	3.49
SUMITOMO MITSUI GROUP	10,357	3.48
PERTAMINA Group	10,129	3.40
Lockheed Martin International Group	10,018	3.36
Taiwan Cement Group	9,859	3.31
APPLE INC Group	9,717	3.26
SHANGHAI COMMERCIAL & SAVINGS BANK Group	8,654	2.90
Bristol-Myers Squibb Group	8,508	2.86
Bank of Jiangsu Group	8,356	2.80
Kongeriket Norge Group	8,113	2.72
ING Group	8,025	2.69
Uni President Group	7,765	2.61
First Financial Holding Group	7,728	2.59
Fuh Hwa Securities Investment Trust Group	7,543	2.53
MAMOURA DIVERSIFIED GLOBAL HOLDING Group	7,509	2.52
GRUPO TELEVISA SAB Group	7,491	2.51
FedEx Group	7,466	2.51
Bank of Montreal Group	7,464	2.51
Brookfield Asset Management Inc. Group	7,451	2.50
Sinopec Group	7,246	2.43
MACQUARIE Group	7,163	2.40

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
ANZ Group Holdings Ltd Group	\$ 7,024	2.36
Cheung Kong Holdings Group	6,981	2.34
China Citic Bank Corporation Limited Group	6,875	2.31
Hua Nan Financial Holdings Group	6,742	2.26
State Power Corporation of China Group	6,698	2.25
Enterprise Products Partners L.P. Group	6,651	2.23
TC Energy Corporation Group	6,642	2.23
Formosa Plastic Group	6,593	2.21
Union Pacific Corp	6,556	2.20
Yulon Group	6,510	2.19
Gateway Real Estate Fund Group	6,473	2.17
Manulife Financial Corporation - S Group	6,425	2.16
Delta Group	6,307	2.12
The Blackstone Group L.P.	6,219	2.09
China Cinda Group	6,134	2.06
GlobiTech Group	5,898	1.98
AU Optronics Group	5,593	1.88
Fox Corporation Group	5,555	1.86
PFIZER LIMITED Group	5,513	1.85
Paramount Global Group	5,510	1.85
Telefónica, S.A. Group	5,395	1.81
Baden-Württemberg Group	5,298	1.78
CHT Group	5,199	1.75
ABRDN PLC Group	5,187	1.74
Foxlink Group	5,045	1.69
ABN AMRO GROUP	4,809	1.61
Total Corporation Group	4,750	1.59
Hyundai Motor Company Group	4,686	1.57
ICBC Group	4,616	1.55
JSL Group	4,486	1.51
Taiwan Cooperative Group	4,440	1.49
Weave Group	4,279	1.44
HOTAI Group	4,211	1.41
Quanta Group	4,206	1.41
American International Group	4,105	1.38
NAN YA PLASTICS CORPORATION Group	3,981	1.34
AIA Group	3,979	1.34
WPG Holdings Group	3,805	1.28
Royal Dutch/Shell Group of Companies	3,720	1.25
Agricultural Bank of China Limited	3,719	1.25
Wistron Corporation	3,638	1.22
Bank of China Limited Group	3,626	1.22
Qualcomm Group	3,626	1.22
America Movil S.A.B de C.V. Group	3,582	1.20
EUROPEAN INVESTMENT BANK Group	3,535	1.19

(Continued)

Counterparty	Total Amounts of Credits, Endorsements and Other Transactions	Ratio to Net Asset Value of the Company (%)
China Steel Corporation	\$ 3,508	1.18
Kingtown Group	3,494	1.17
Qsan Technology Group	3,460	1.16
KKR FUND Group	3,459	1.16
Formosa Chemicals and Fiber Group	3,382	1.14
China Development Bank Group	3,275	1.10
AXA Group	3,245	1.09
LCY CHEMICAL Group	3,231	1.08
FARGLORY LAND DEVELOPMENT CO., LTD.	3,227	1.08
Rogers Communications Inc Group	3,152	1.06
Walsin Group	3,135	1.05
Hong Pu Group	3,119	1.05
Marubeni Corporation	3,007	1.01
TAYA Group	3,003	1.01
Total	\$ 2,025,945	680.02

(Concluded)

TABLE 8

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

CONDENSED BALANCE SHEETS AND STATEMENTS OF COMPREHENSIVE INCOME

The Company

1. Balance sheets

(In Thousands of New Taiwan Dollars)

Assets	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 12,601,011	\$ 2,002,156	\$ 3,342,168
Receivables, net	284,431	228,464	100,513
Current tax assets	5,089,236	4,173,995	3,167,822
Investments accounted for using the equity method, net	353,976,806	319,738,518	299,655,519
Other financial assets	300	300	300
Right-of-use assets, net	757,778	791,777	825,994
Property and equipment, net	252,764	276,339	270,410
Other assets, net	<u>478,206</u>	<u>151,899</u>	<u>118,416</u>
Total	<u>\$ 373,440,532</u>	<u>\$ 327,363,448</u>	<u>\$ 307,481,142</u>

Liabilities and Equity

Liabilities

Commercial paper payable, net	\$ 10,399,748	\$ 9,899,637	\$ 7,099,836
Payables	11,018,892	1,892,539	1,949,373
Current tax liabilities	5,271,166	3,400,058	2,328,459
Bonds payable	48,000,000	48,000,000	48,000,000
Other borrowings	-	500,000	3,299,842
Lease liabilities	813,401	851,987	878,051
Other liabilities	<u>17,050</u>	<u>593</u>	<u>15,920</u>
Total liabilities	<u>75,520,257</u>	<u>64,544,814</u>	<u>63,571,481</u>

Equity

Capital			
Common stock	168,321,806	168,345,806	168,392,886
Preferred stock	15,821,424	15,821,424	15,821,424
Share capital awaiting retirement	(234,817)	(6,000)	(15,080)
Capital surplus	33,725,743	33,588,602	33,515,283
Retained earnings			
Legal reserve	17,591,149	15,613,641	15,613,641
Special reserve	39,120,659	48,976,557	48,976,557
Unappropriated earnings	36,224,504	19,775,079	10,890,617
Other equity	<u>(12,650,193)</u>	<u>(39,296,475)</u>	<u>(49,285,667)</u>
Total equity	<u>297,920,275</u>	<u>262,818,634</u>	<u>243,909,661</u>
Total	<u>\$ 373,440,532</u>	<u>\$ 327,363,448</u>	<u>\$ 307,481,142</u>

(Continued)

2. Statements of comprehensive income

	(In Thousands of New Taiwan Dollars, Except Earnings Per Share)			
	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
REVENUES				
Share of profit of subsidiaries, associates and joint ventures	\$ 10,082,828	\$ 7,341,682	\$ 19,389,038	\$ 11,468,846
Others	<u>22,686</u>	<u>7,350</u>	<u>27,932</u>	<u>19,139</u>
Total revenues	<u>10,105,514</u>	<u>7,349,032</u>	<u>19,416,970</u>	<u>11,487,985</u>
EXPENSES AND LOSSES				
Operating expenses	(615,821)	(535,826)	(1,164,866)	(938,453)
Others	<u>(172,171)</u>	<u>(172,853)</u>	<u>(340,795)</u>	<u>(346,754)</u>
Total expenses and losses	<u>(787,992)</u>	<u>(708,679)</u>	<u>(1,505,661)</u>	<u>(1,285,207)</u>
NET PROFIT BEFORE INCOME TAX	9,317,522	6,640,353	17,911,309	10,202,778
INCOME TAX EXPENSE	<u>(578,768)</u>	<u>-</u>	<u>(958,653)</u>	<u>(60,000)</u>
NET PROFIT FOR THE PERIOD	<u>8,738,754</u>	<u>6,640,353</u>	<u>16,952,656</u>	<u>10,142,778</u>
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss, net of income tax				
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	(2,389,167)	573,905	(345,818)	636,489
Income tax relating to the items that will not be reclassified subsequently to profit or loss	621,843	(101,693)	271,999	155,810
Items that will be reclassified subsequently to profit or loss, net of income tax				
Share of other comprehensive income (loss) of subsidiaries, associates and joint ventures	9,597,570	3,999,315	28,179,373	25,251,342
Income tax relating to the items that may be reclassified subsequently to profit or loss	<u>(355,798)</u>	<u>(148,902)</u>	<u>(1,101,697)</u>	<u>(1,020,702)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>7,474,448</u>	<u>4,322,625</u>	<u>27,003,857</u>	<u>25,022,939</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 16,213,202</u>	<u>\$ 10,962,978</u>	<u>\$ 43,956,513</u>	<u>\$ 35,165,717</u>
BASIC EARNINGS PER SHARE	<u>\$0.49</u>	<u>\$0.40</u>	<u>\$0.98</u>	<u>\$0.61</u>
DILUTED EARNINGS PER SHARE	<u>\$0.49</u>	<u>\$0.40</u>	<u>\$0.97</u>	<u>\$0.60</u>

(Continued)

3. Statements of changes in equity

(In Thousands of New Taiwan Dollars, Except Per Share Amount)

	Equity Attributable to Owners of the Parent												
								Other Equity					
								Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Income	Other Comprehensive Income Reclassified Using the Overlay Approach	Equity on Hedging Instruments	Others	Total Equity
	Capital		Share Capital Awaiting Retirement	Retained Earnings									
	Common Stock	Preferred Stock			Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings					
BALANCE AT JANUARY 1, 2023	\$ 168,453,886	\$ 15,821,424	\$ -	\$ 33,626,805	\$ 13,703,864	\$ 410,006	\$ 50,476,328	\$ (1,116,811)	\$ (13,728,907)	\$ (58,042,885)	\$ 3,301	\$ (943,738)	\$ 208,663,273
Appropriation of 2022 earnings													
Legal reserve	-	-	-	-	1,909,777	-	(1,909,777)	-	-	-	-	-	-
Special reserve	-	-	-	-	-	48,566,551	(48,566,551)	-	-	-	-	-	-
	-	-	-	-	1,909,777	48,566,551	(50,476,328)	-	-	-	-	-	-
Net profit for the six months ended June 30, 2023	-	-	-	-	-	-	10,142,778	-	-	-	-	-	10,142,778
Other comprehensive income for the six months ended June 30, 2023, net of income tax	-	-	-	-	-	-	-	184,560	1,669,842	23,167,892	645	-	25,022,939
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	-	10,142,778	184,560	1,669,842	23,167,892	645	-	35,165,717
Net change in equity of associates and joint ventures	-	-	-	(15,741)	-	-	-	-	-	-	-	-	(15,741)
Share-based payments	(61,000)	-	(15,080)	(95,781)	-	-	7,200	-	-	-	-	303,139	138,478
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	782,705	-	(782,705)	-	-	-	-
Net change in special reserve of subsidiaries	-	-	-	-	-	-	(42,066)	-	-	-	-	-	(42,066)
BALANCE AT JUNE 30, 2023	\$ 168,392,886	\$ 15,821,424	\$ (15,080)	\$ 33,515,283	\$ 15,613,641	\$ 48,976,557	\$ 10,890,617	\$ (932,251)	\$ (12,841,770)	\$ (34,874,993)	\$ 3,946	\$ (640,599)	\$ 243,909,661
BALANCE AT JANUARY 1, 2024	\$ 168,345,806	\$ 15,821,424	\$ (6,000)	\$ 33,588,602	\$ 15,613,641	\$ 48,976,557	\$ 19,775,079	\$ (1,364,704)	\$ (11,632,625)	\$ (25,848,289)	\$ 2,067	\$ (452,924)	\$ 262,818,634
Appropriation of 2023 earnings													
Legal reserve	-	-	-	-	1,977,508	-	(1,977,508)	-	-	-	-	-	-
Reversal of special reserve	-	-	-	-	-	(9,855,898)	9,855,898	-	-	-	-	-	-
Cash dividends - common stock	-	-	-	-	-	-	(8,414,813)	-	-	-	-	-	(8,414,813)
Cash dividends - preferred stock	-	-	-	-	-	-	(561,661)	-	-	-	-	-	(561,661)
	-	-	-	-	1,977,508	(9,855,898)	(1,098,084)	-	-	-	-	-	(8,976,474)
Net profit for the six months ended June 30, 2024	-	-	-	-	-	-	16,952,656	-	-	-	-	-	16,952,656
Other comprehensive income (loss) for the six months ended June 30, 2024, net of income tax	-	-	-	-	-	-	-	2,318,174	(3,060,370)	27,745,651	402	-	27,003,857
Total comprehensive income (loss) for the six months ended June 30, 2024	-	-	-	-	-	-	16,952,656	2,318,174	(3,060,370)	27,745,651	402	-	43,956,513
Share-based payments	(24,000)	-	(228,817)	137,141	-	-	24,584	-	-	-	-	212,694	121,602
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	570,269	-	(570,269)	-	-	-	-
BALANCE AT JUNE 30, 2024	\$ 168,321,806	\$ 15,821,424	\$ (234,817)	\$ 33,725,743	\$ 17,591,149	\$ 39,120,659	\$ 36,224,504	\$ 953,470	\$ (15,263,264)	\$ 1,897,362	\$ 2,469	\$ (240,230)	\$ 297,920,275
	(Continued)												

(Continued)

4. Statements of cash flows

(In Thousands of New Taiwan Dollars)

	For the Six Months Ended June 30	
	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	\$ 17,911,309	\$ 10,202,778
Adjustments for:		
Depreciation and amortization expenses	69,184	64,555
Interest expense	336,957	340,504
Interest income	(19,491)	(13,654)
Share-based payment compensation cost	17,957	18,416
Share of profit of subsidiaries, associates and joint ventures	(19,198,166)	(11,369,736)
Changes in operating assets and liabilities		
Receivables	(51,497)	356,690
Other assets	(327,291)	991
Payables	(16,748)	(24,802)
Other liabilities	16,457	14,866
Interest paid	(168,165)	(170,792)
Interest received	15,022	14,764
Dividends received	12,042,795	2,854,875
Income tax paid	<u>(2,787)</u>	<u>(184,885)</u>
Net cash generated from operating activities	<u>10,625,536</u>	<u>2,104,570</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(458)	(6,226)
Others	<u>(10,208)</u>	<u>(9,879)</u>
Net cash used in investing activities	<u>(10,666)</u>	<u>(16,105)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase (decrease) in commercial paper payable	500,111	(800,052)
Decrease in other borrowings	(500,000)	(2,000,010)
Others	<u>(16,126)</u>	<u>(28,004)</u>
Net cash used in financing activities	<u>(16,015)</u>	<u>(2,828,066)</u>
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	10,598,855	(739,601)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>2,002,156</u>	<u>4,081,769</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 12,601,011</u>	<u>\$ 3,342,168</u>

(Continued)

KGI Bank

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents, due from the Central Bank and call loans to banks	\$ 44,150,160	\$ 49,575,159	\$ 69,246,003
Financial assets at fair value through profit or loss	44,148,768	42,955,118	43,431,618
Financial assets at fair value through other comprehensive income	144,015,829	133,337,278	144,720,842
Debt instruments measured at amortized cost	73,215,637	68,412,429	60,476,765
Financial assets for hedging	707,797	598,459	1,268,660
Securities purchased under resell agreements	43,653,988	42,097,729	37,214,932
Receivables, net	21,680,932	22,224,114	22,361,945
Discounts and loans, net	440,184,537	396,926,437	390,847,529
Investments accounted for using the equity method, net	10,442,699	9,707,896	6,444,506
Other financial assets, net	3,569,500	8,745,840	2,569,560
Property and equipment, net	5,065,082	5,160,635	5,295,311
Right-of-use assets, net	2,781,434	2,966,024	3,154,561
Investment property, net	1,738,428	1,746,097	1,591,308
Deferred tax assets	546,968	514,773	531,009
Other assets, net	9,069,728	5,230,544	6,836,955
Total assets	\$ 844,971,487	\$ 790,198,532	\$ 795,991,504
Deposits from the Central Bank and banks	\$ 5,340,106	\$ 7,027,312	\$ 1,091,906
Financial liabilities at fair value through profit or loss	27,895,500	29,320,808	26,743,558
Financial liabilities for hedging	973,786	610,323	620,998
Notes and bonds issued under repurchase agreements	67,516,424	42,580,979	43,050,930
Payables	6,087,469	7,762,608	6,614,717
Current tax liabilities	1,221,877	915,572	831,634
Deposits and remittances	595,385,370	558,509,663	580,080,722
Bank debentures payable	23,612,784	24,747,803	24,629,260
Principal received on structured notes	41,066,350	40,405,562	40,000,515
Provisions	400,665	363,837	387,710
Lease liabilities	2,961,343	3,131,049	3,316,268
Deferred tax liabilities	237,711	238,817	63,515
Other liabilities	3,560,651	5,365,041	3,235,470
Total liabilities	776,260,036	720,979,374	730,667,203
Common stock	46,061,623	46,061,623	46,061,623
Capital surplus	7,431,629	7,432,078	7,363,926
Retained earnings	18,823,836	19,289,870	16,867,733
Other equity	(3,605,637)	(3,564,413)	(4,968,981)
Total equity	68,711,451	69,219,158	65,324,301
Total liabilities and equity	\$ 844,971,487	\$ 790,198,532	\$ 795,991,504

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Interest revenue	\$ 6,457,072	\$ 5,657,139	\$ 12,562,101	\$ 10,866,757
Interest expense	<u>(4,782,258)</u>	<u>(3,665,186)</u>	<u>(9,217,084)</u>	<u>(6,926,875)</u>
Interest profit, net	1,674,814	1,991,953	3,345,017	3,939,882
Noninterest profits and gains, net	<u>2,170,957</u>	<u>1,429,898</u>	<u>4,416,933</u>	<u>2,847,963</u>
Total net revenues	3,845,771	3,421,851	7,761,950	6,787,845
Reversal of allowance (allowance) for bad debts and losses on commitments and guarantees, net	(418,608)	(22,549)	(806,032)	72,455
Operating expenses	<u>(1,880,793)</u>	<u>(1,703,910)</u>	<u>(3,721,191)</u>	<u>(3,400,957)</u>
Net profit before income tax	1,546,370	1,695,392	3,234,727	3,459,343
Income tax expense	<u>(201,076)</u>	<u>(220,591)</u>	<u>(420,562)</u>	<u>(449,912)</u>
Net profit for the period	1,345,294	1,474,801	2,814,165	3,009,431
Other comprehensive income (loss) for the period, net of income tax	<u>(118,729)</u>	<u>(6,271)</u>	<u>529,045</u>	<u>860,024</u>
Total comprehensive income (loss) for the period	<u>\$ 1,226,565</u>	<u>\$ 1,468,530</u>	<u>\$ 3,343,210</u>	<u>\$ 3,869,455</u>
Basic earnings per share	<u>\$0.29</u>	<u>\$0.32</u>	<u>\$0.61</u>	<u>\$0.65</u>

(Continued)

KGI Securities Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 363,314,564	\$ 262,149,935	\$ 249,640,129
Noncurrent assets	<u>39,533,501</u>	<u>38,246,547</u>	<u>37,955,145</u>
Total assets	<u>\$ 402,848,065</u>	<u>\$ 300,396,482</u>	<u>\$ 287,595,274</u>
Current liabilities	\$ 331,967,591	\$ 232,389,779	\$ 220,693,368
Noncurrent liabilities	<u>11,388,554</u>	<u>8,447,555</u>	<u>11,043,113</u>
Total liabilities	<u>343,356,145</u>	<u>240,837,334</u>	<u>231,736,481</u>
Common stock	18,174,785	18,174,785	18,787,366
Capital surplus	7,391,318	7,355,031	7,243,536
Retained earnings	35,741,003	36,542,080	32,989,078
Others	<u>(1,815,186)</u>	<u>(2,512,748)</u>	<u>(3,161,187)</u>
Total equity	<u>59,491,920</u>	<u>59,559,148</u>	<u>55,858,793</u>
Total liabilities and equity	<u>\$ 402,848,065</u>	<u>\$ 300,396,482</u>	<u>\$ 287,595,274</u>

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenues	\$ 7,037,077	\$ 5,193,624	\$ 14,009,014	\$ 9,696,399
Costs and expenses	<u>(5,144,491)</u>	<u>(4,029,457)</u>	<u>(9,908,514)</u>	<u>(7,579,424)</u>
Profit from operations	<u>1,892,586</u>	<u>1,164,167</u>	<u>4,100,500</u>	<u>2,116,975</u>
Share of profit of subsidiaries, associates and joint ventures	560,148	436,097	1,117,030	1,125,578
Other income and loss	<u>531,945</u>	<u>413,111</u>	<u>908,873</u>	<u>817,712</u>
Total non-operating income or loss	<u>1,092,093</u>	<u>849,208</u>	<u>2,025,903</u>	<u>1,943,290</u>
Net profit before income tax	2,984,679	2,013,375	6,126,403	4,060,265
Income tax expense	<u>(365,124)</u>	<u>(210,618)</u>	<u>(609,016)</u>	<u>(365,861)</u>
Net profit for the period	2,619,555	1,802,757	5,517,387	3,694,404
Other comprehensive income (loss) for the period, net of income tax	<u>171,655</u>	<u>223,686</u>	<u>697,562</u>	<u>596,841</u>
Total comprehensive income (loss) for the period	<u>\$ 2,791,210</u>	<u>\$ 2,026,443</u>	<u>\$ 6,214,949</u>	<u>\$ 4,291,245</u>
Basic earnings per share	<u>\$1.44</u>	<u>\$0.96</u>	<u>\$3.04</u>	<u>\$1.97</u>

(Continued)

CDIB Capital Group

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 607,080	\$ 340,376	\$ 778,859
Noncurrent assets	<u>35,672,142</u>	<u>34,682,472</u>	<u>34,345,552</u>
Total assets	<u>\$ 36,279,222</u>	<u>\$ 35,022,848</u>	<u>\$ 35,124,411</u>
Current liabilities	\$ 5,655,235	\$ 4,387,538	\$ 5,015,812
Noncurrent liabilities	<u>548,949</u>	<u>551,969</u>	<u>565,629</u>
Total liabilities	<u>6,204,184</u>	<u>4,939,507</u>	<u>5,581,441</u>
Common stock	20,411,159	20,411,159	20,411,159
Capital surplus	732,503	722,753	697,418
Retained earnings	6,896,433	8,295,313	7,812,301
Others	<u>2,034,943</u>	<u>654,116</u>	<u>622,092</u>
Total equity	<u>30,075,038</u>	<u>30,083,341</u>	<u>29,542,970</u>
Total liabilities and equity	<u>\$ 36,279,222</u>	<u>\$ 35,022,848</u>	<u>\$ 35,124,411</u>

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating revenues	\$ 342,489	\$ 873,032	\$ 617,750	\$ 2,104,871
Operating cost	<u>(123,104)</u>	<u>(167,549)</u>	<u>(242,900)</u>	<u>(383,649)</u>
Gross profit (loss)	219,385	705,483	374,850	1,721,222
Non-operating income and expenses	<u>(13,826)</u>	<u>(16,420)</u>	<u>(27,424)</u>	<u>(31,135)</u>
Profit (loss) from operations	205,559	689,063	347,426	1,690,087
Income tax benefit (expense)	<u>(9,207)</u>	<u>3,223</u>	<u>(22,306)</u>	<u>(65,030)</u>
Net profit (loss) for the period	196,352	692,286	325,120	1,625,057
Other comprehensive income (loss) for the period, net of income tax	<u>401,041</u>	<u>385,794</u>	<u>1,380,827</u>	<u>423,206</u>
Total comprehensive income (loss) for the period	<u>\$ 597,393</u>	<u>\$ 1,078,080</u>	<u>\$ 1,705,947</u>	<u>\$ 2,048,263</u>
Basic earnings (loss) per share	<u>\$0.10</u>	<u>\$0.34</u>	<u>\$0.16</u>	<u>\$0.80</u>

(Continued)

China Development Asset Management Corp.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 314,538	\$ 303,357	\$ 91,724
Noncurrent assets	<u>1,512,149</u>	<u>1,608,103</u>	<u>1,637,372</u>
Total assets	<u>\$ 1,826,687</u>	<u>\$ 1,911,460</u>	<u>\$ 1,729,096</u>
Current liabilities	\$ 248,797	\$ 337,165	\$ 171,690
Noncurrent liabilities	<u>97,457</u>	<u>101,126</u>	<u>105,026</u>
Total liabilities	<u>346,254</u>	<u>438,291</u>	<u>276,716</u>
Common stock	1,133,600	1,133,600	1,133,600
Capital surplus	139,538	139,538	139,538
Retained earnings	233,813	227,933	207,598
Others	<u>(26,518)</u>	<u>(27,902)</u>	<u>(28,356)</u>
Total equity	<u>1,480,433</u>	<u>1,473,169</u>	<u>1,452,380</u>
Total liabilities and equity	<u>\$ 1,826,687</u>	<u>\$ 1,911,460</u>	<u>\$ 1,729,096</u>

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Revenues and gains	\$ 100,742	\$ 49,744	\$ 160,332	\$ 125,718
Expenses and losses	<u>(35,058)</u>	<u>(22,712)</u>	<u>(61,247)</u>	<u>(55,185)</u>
Net profit before income tax	65,684	27,032	99,085	70,533
Income tax expense	<u>(14,844)</u>	<u>(3,009)</u>	<u>(21,607)</u>	<u>(11,314)</u>
Net profit for the period	50,840	24,023	77,478	59,219
Other comprehensive income (loss) for the period, net of income tax	<u>1,384</u>	<u>562</u>	<u>1,384</u>	<u>562</u>
Total comprehensive income for the period	<u>\$ 52,224</u>	<u>\$ 24,585</u>	<u>\$ 78,862</u>	<u>\$ 59,781</u>
Basic earnings per share	<u>\$0.45</u>	<u>\$0.21</u>	<u>\$0.68</u>	<u>\$0.52</u>

(Continued)

KGI Life Insurance Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Cash and cash equivalents	\$ 38,815,018	\$ 49,203,474	\$ 54,124,884
Receivables	22,444,436	22,786,016	20,712,537
Current tax assets	4,285,987	2,690,111	1,038,814
Financial assets at fair value through profit or loss	426,681,987	403,552,413	396,298,287
Financial assets at fair value through other comprehensive income	63,406,594	71,658,283	67,834,066
Financial assets measured at amortized cost	1,646,898,573	1,594,184,323	1,598,363,716
Investments accounted for using the equity method, net	2,296,646	2,118,503	2,108,825
Investment property	69,447,905	69,752,774	69,209,552
Loans	34,674,577	33,964,918	33,309,682
Reinsurance assets	1,065,271	1,011,096	899,603
Property and equipment	10,408,389	10,606,865	11,149,461
Right-of-use assets	4,843,235	4,899,638	4,981,503
Intangible assets	501,119	461,140	454,539
Deferred tax assets	22,045,234	17,773,544	18,894,274
Other assets	19,915,937	7,886,366	20,564,402
Separate account product assets	<u>122,783,526</u>	<u>115,525,739</u>	<u>112,414,448</u>
Total assets	<u>\$ 2,490,514,434</u>	<u>\$ 2,408,075,203</u>	<u>\$ 2,412,358,593</u>
Payables	\$ 15,788,320	\$ 14,306,200	\$ 13,062,244
Current tax liabilities	6,895	6,895	127,972
Financial liabilities at fair value through profit or loss	18,591,832	5,612,137	22,106,641
Bonds payables	20,000,000	20,000,000	10,000,000
Lease liabilities	1,975,155	1,959,693	2,007,288
Insurance liabilities	2,088,570,801	2,071,434,364	2,092,538,225
Foreign exchange valuation reserve	16,785,474	9,768,788	11,511,237
Provisions	129,647	146,416	163,558
Deferred tax liabilities	20,372,608	11,980,157	11,194,308
Other liabilities	1,411,106	8,997,759	1,977,892
Separate account product liabilities	<u>122,783,526</u>	<u>115,525,739</u>	<u>112,414,448</u>
Total liabilities	<u>2,306,415,364</u>	<u>2,259,738,148</u>	<u>2,277,103,813</u>
Common stock	49,206,531	49,206,531	49,206,531
Capital surplus	7,445,793	7,414,749	7,372,415
Retained earnings	129,615,962	118,629,526	113,188,298
Others	<u>(2,169,216)</u>	<u>(26,913,751)</u>	<u>(34,512,464)</u>
Total equity	<u>184,099,070</u>	<u>148,337,055</u>	<u>135,254,780</u>
Total liabilities and equity	<u>\$ 2,490,514,434</u>	<u>\$ 2,408,075,203</u>	<u>\$ 2,412,358,593</u>

(Continued)

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating revenues	\$ 64,690,391	\$ 63,243,099	\$ 125,174,801	\$ 116,446,727
Operating costs	(55,715,307)	(56,662,664)	(108,352,256)	(108,560,299)
Operating expenses	<u>(2,081,726)</u>	<u>(1,736,405)</u>	<u>(3,949,793)</u>	<u>(3,290,583)</u>
Profit from operations	6,893,358	4,844,030	12,872,752	4,595,845
Non-operating income and expenses	<u>7,397</u>	<u>3,084</u>	<u>14,374</u>	<u>3,658</u>
Income from continuing operations before income tax	6,900,755	4,847,114	12,887,126	4,599,503
Income tax benefit (expense)	<u>(1,063,390)</u>	<u>(241,684)</u>	<u>(1,900,690)</u>	<u>327,016</u>
Net income	5,837,365	4,605,430	10,986,436	4,926,519
Other comprehensive income (loss) for the period, net of income tax	<u>7,448,762</u>	<u>4,168,392</u>	<u>24,744,535</u>	<u>23,674,643</u>
Total comprehensive income (loss) for the period	<u>\$ 13,286,127</u>	<u>\$ 8,773,822</u>	<u>\$ 35,730,971</u>	<u>\$ 28,601,162</u>
Basic earnings per share	<u>\$1.18</u>	<u>\$0.93</u>	<u>\$2.23</u>	<u>\$1.00</u>

(Continued)

KGI Securities Investment Trust Co., Ltd.

1. Condensed balance sheets

(In Thousands of New Taiwan Dollars)

	June 30, 2024	December 31, 2023	June 30, 2023
Current assets	\$ 499,747	\$ 565,193	\$ 491,855
Noncurrent assets	<u>159,694</u>	<u>125,293</u>	<u>141,464</u>
Total assets	<u>\$ 659,441</u>	<u>\$ 690,486</u>	<u>\$ 633,319</u>
Current liabilities	\$ 128,481	\$ 128,694	\$ 109,356
Noncurrent liabilities	<u>266</u>	<u>410</u>	<u>580</u>
Total liabilities	<u>128,747</u>	<u>129,104</u>	<u>109,936</u>
Common stock	300,000	300,000	300,000
Capital surplus	133,810	131,381	127,933
Retained earnings	95,911	129,028	94,703
Others	<u>973</u>	<u>973</u>	<u>747</u>
Total equity	<u>530,694</u>	<u>561,382</u>	<u>523,383</u>
Total liabilities and equity	<u>\$ 659,441</u>	<u>\$ 690,486</u>	<u>\$ 633,319</u>

2. Condensed statements of comprehensive income

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2024	2023	2024	2023
Operating revenues	\$ 186,201	\$ 165,846	\$ 368,832	\$ 324,101
Operating cost	<u>(161,623)</u>	<u>(132,356)</u>	<u>(316,132)</u>	<u>(261,329)</u>
Gross profit (loss)	24,578	33,490	52,700	62,772
Non-operating income and expenses	<u>1,836</u>	<u>2,037</u>	<u>3,655</u>	<u>3,056</u>
Profit (loss) from operations	26,414	35,527	56,355	65,828
Income tax benefit (expense)	<u>(5,257)</u>	<u>(7,022)</u>	<u>(11,207)</u>	<u>(13,191)</u>
Net profit (loss) for the period	21,157	28,505	45,148	52,637
Other comprehensive income (loss) for the period, net of income tax	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total comprehensive income (loss) for the period	<u>\$ 21,157</u>	<u>\$ 28,505</u>	<u>\$ 45,148</u>	<u>\$ 52,637</u>
Basic earnings (loss) per share	<u>\$0.70</u>	<u>\$0.95</u>	<u>\$1.50</u>	<u>\$1.75</u>

(Concluded)

TABLE 9

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
JUNE 30, 2024
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024
					Outflow	Inflow						
Beauty Essential International (Shanghai) Ltd.	Sale and R&D of the cosmetics.	US\$ 2,000 thousand	Note 1,b,1)	US\$ 2,262 thousand	\$ -	\$ -	US\$ 2,262 thousand	(Note 3)	8.86	\$ -	\$ 67,536	\$ -
Beauteek (Shanghai) Co., Ltd.	Cosmetics and skin care products sales.	US\$ 1,700 thousand	Note 1,b,1)	US\$ 53 thousand	-	-	US\$ 53 thousand	(Note 3)	-	-	1,657	-
Hartec Technology (Kunshan) Co., Ltd.	NB EMI sputtering.	US\$ 17,130 thousand	Note 1,b,2)	US\$ 3,000 thousand	-	-	US\$ 3,000 thousand	(Note 3)	10.23	-	96,030	-
Jiangyin Suda Huicheng Composite Material Co., Ltd.	Lithium battery with extruded composite film.	CNY 19,812 thousand	Note 1,b,10)	US\$ 4,645 thousand	-	-	US\$ 4,645 thousand	(Note 3)	4.11	-	142,052	-
CDIB Private Equity (China) Corporation	Management and consulting.	US\$ 7,000 thousand	Note 1,b,6)	US\$ 7,000 thousand	-	-	US\$ 7,000 thousand	\$ (7,814)	100.00	(7,814)	284,011	-
CDIB Private Equity (Fujian) Co., Ltd.	Fund management.	CNY 10,000 thousand	Note 4	-	-	-	-	(463)	70.00	(324)	62,315	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management.	CNY 12,000 thousand	Note 1,b,6)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(1,834)	70.00	(1,284)	32,742	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment.	CNY 560,000 thousand	Note 1,b,5),6)	CNY 350,000 thousand	-	-	CNY 350,000 thousand	(181,939)	-	(64,228)	685,320	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management.	CNY 7,000 thousand	Note 5	-	-	-	-	(9,320)	65.00	(6,058)	56,409	-
CDIB Yida Private Equity Management (Kushan) Enterprise (Limited Partnership)	Fund management.	CNY 12,000 thousand	Note 1,b,6)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(540)	65.00	(351)	37,890	-
CDIB Yida Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment.	CNY 678,367 thousand	Note 1,b, 5),6)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	(42,708)	-	(12,962)	1,142,873	-
Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 422,000 thousand	Note 1,b, 5),6)	CNY 123,857 thousand	-	-	CNY 123,857 thousand	(443,573)	-	(153,728)	602,367	-
CDIB Private Equity (Kunshan) Corporation	Fund management.	CNY 10,000 thousand	Note 1,b,6)	-	-	-	-	(5,527)	100.00	(5,527)	17,508	-
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management.	CNY 10,000 thousand	Note 1,b,6)	-	-	-	-	260	65.00	169	29,241	-
Kunshan Taiwanese Business Development Investment Fund Partnership (Limited Partnership)	Equity investment	CNY 117,600 thousand	Note 1,b,6)	-	-	-	-	4,075	-	243	31,169	-
Lightel Technologies (Shenzhen) Inc.	Fiber optic components, fiber optic equipment and instruments and LED lamps.	US\$ 4,100 thousand	Note 1,b,7)	US\$ 337 thousand	-	-	US\$ 337 thousand	(Note 3)	11.58	-	9,857	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024
					Outflow	Inflow						
Jiangsu Stonehenge Industrial Holding Ltd.	Business in research, development and manufacture of electro optic technology, process on TFT-LCD optical, functional film material, and production and marketing of other plastic product.	HK\$ 761,576 thousand	Note 1,b, 4),11)	US\$ 9,248 thousand	\$ -	\$ -	US\$ 9,248 thousand	(Note 3)	5.46	\$ -	\$ 299,947	\$ -
Best Logistics Technology (China) Co., Ltd.	Business in research, development, technical services, computer information, network logistics technology and wholesale and retail of general labor supplies, household appliances and building materials.	US\$ 183,000 thousand	Note 1,b, 3),8)	US\$ 211 thousand	-	-	US\$ 211 thousand	(Note 3)	-	-	6,669	-
Suyin KGI Consumer Finance Co., Ltd.	Consumer financial business.	CNY 4,200,000 thousand	Note 1,a	CNY 1,580,487 thousand	-	-	CNY 1,580,487 thousand	\$ 1,019,637	37.63	380,485 (Note 2,b,2)	8,356,169	-
CDIB International Leasing Corporation	Financial leasing and management business consulting.	CNY 187,750 thousand	Note 1,a	US\$ 30,000 thousand	-	-	US\$ 30,000 thousand	515	100.00	515 (Note 2,b,2)	160,044	-
CCB Life Insurance Company Limited	Life insurance.	CNY 7,120,461 thousand	Note 1,a	12,880,969	-	-	12,880,969	2,821,552	19.90	-	7,986,714	229,387
Changzhou Cheng Xing Environmental Protection Technology Co., Ltd.	Business in packaging technology development, and related transfer services consulting.	US\$ 22,000 thousand	Note 1,b,9)	US\$ 454 thousand	-	-	US\$ 454 thousand	(Note 3)	0.82	-	1,888	-
Cheng Zong Environmental Protection Technology (Shanghai) Co., Ltd.	Business in packaging materials, plastic products, machinery and equipment, providing molds and related products wholesale, commission agents.	US\$ 6,500 thousand	Note 1,b,9)	US\$ 120 thousand	-	-	US\$ 120 thousand	(Note 3)	0.82	-	498	-
Taro Technology (Hangzhou) Co., Ltd.	Business in software; network engineering; intelligent robot; development of hi-tech product; technical services; transfer of technological achievements.	US\$ 30,000 thousand	Note 1,b,3,12)	US\$ 2,000 thousand	-	-	US\$ 2,000 thousand	(Note 3)	1.01	-	60,772	-
Rokid Business (Hangzhou) Co., Ltd.	Business in software; network engineering; intelligent robot; development of hi-tech product; technical services; transfer of technological achievements	US\$ 15,000 thousand	Note 1,b,3,12)	US\$ 3,000 thousand	-	-	US\$ 3,000 thousand	(Note 3)	1.01	-	91,158	-
Ningbo DINGYAO Transmission Machinery Co., Ltd.	Business in machinery and equipment; hi-tech product.	CNY 500 thousand	Note 1,b, 13)	US\$ 159 thousand	-	-	US\$ 159 thousand	(Note 3)	2.90	-	4,390	-
Kunshan Beiju Machine Co., Ltd.	Business in welding fixture and fixture for inspection.	US\$ 8,000 thousand	Note 1,b, 13)	US\$ 812 thousand	-	-	US\$ 812 thousand	(Note 3)	5.68	-	22,482	-
Kunshan Royal Precision Tools Corporation Ltd.	Business in belt-driven spindle.	US\$ 3,956 thousand	Note 1,b, 13)	US\$ 526 thousand	-	-	US\$ 526 thousand	(Note 3)	5.68	-	14,563	-
Kunshan XIJU Machinery Co., Ltd.	Business in CNC machine accessories.	US\$ 5,619 thousand	Note 1,b, 13)	US\$ 290 thousand	-	-	US\$ 290 thousand	(Note 3)	5.68	-	8,038	-
Dongguan NANJU Machinery Co., Ltd.	Business in machinery equipment and its accessories.	CNY 1,500 thousand	Note 1,b, 13)	US\$ 42 thousand	-	-	US\$ 42 thousand	(Note 3)	3.97	-	1,168	-
Chongqing TAIJU Machinery Co., Ltd.	Business in import and export of goods, production and sales; CNC; machining center; tool magazine.	US\$ 591 thousand	Note 1,b, 13)	US\$ 49 thousand	-	-	US\$ 49 thousand	(Note 3)	3.97	-	1,345	-
Elixiron Immunotherapeutics Inc.	Research and development of new drugs for cancer and antiviral immunity.	CNY 6,332 thousand	Note 1,b, 14)	US\$ 196 thousand	-	-	US\$ 196 thousand	(Note 3)	9.32	-	5,462	-
Jieshou Kaitai Resources Recycling Co.	Synthetic fiber manufacturing, fabric textile processing, technical services, development, consultation, exchange, transfer, promotion.	US\$ 50 thousand	Note 1,b, 3),10)	US\$ 5 thousand	-	-	US\$ 5 thousand	(Note 3)	10.06	-	154	-

(Continued)

Investee Company Name	Main Businesses and Products	Total Paid-in Capital	Investment Type	Accumulated Outflow of Investment from Taiwan as of January 1, 2024	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2024	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2024	Accumulated Inward Remittance of Earnings as of June 30, 2024
					Outflow	Inflow						
Shanghai Luojin Data Information Co.	Data technology, software, information technology, network technology and technology development, technology consulting, technology services and transfer market information in the field of computer technology.	CNY 47,874 thousand	Note 1,b, 3),15)	US\$ 5,000 thousand	\$ -	\$ -	US\$ 5,000 thousand	(Note 3)	2.13	\$ -	\$ 138,965	\$ -
Hunan Xingsheng Optimal Network Technology Co., Ltd.	Network technology, development of credit management software.	CNY 15,000,000 thousand	Note 1,b, 3),16)	US\$ 2,375 thousand	-	-	US\$ 2,375 thousand	(Note 3)	0.14	-	66,450	-
Hunan Jiazhen Logistics Co., Ltd.	General cargo transportation, logistics information service.	CNY 1,000,000 thousand	Note 1,b 3),16)	US\$ 2,375 thousand	-	-	US\$ 2,375 thousand	(Note 3)	0.14	-	66,450	-
Hunan Youxuan Dayun Information Technology Co., Ltd.	Development of information technology, information technology consulting.	CNY 28,800,000 thousand	Note 1,b 3),16)	US\$ 2,375 thousand	-	-	US\$ 2,375 thousand	(Note 3)	0.14	-	66,450	-

Accumulated Investment in Mainland China as of June 30, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$27,397,657	\$29,431,695	\$178,752,165

Note 1: The investment types are as follows:

- a. Direct investments.
- b. Reinvested through a third area by:

1) Beauty Essentials International Ltd.
2) Hartec Asia Pte Ltd.
3) CDIB Capital Investment I Limited
4) CDIB Capital Investment II Limited.
5) CDIB Venture Capital (Hong Kong) Corporation Limited.
6) CDIB Private Equity (Hong Kong) Corporation Limited.
7) Lightel Technologies, Inc.
8) Best Logistics.
9) Deluxe Technology Group Co., Ltd.
10) CDIB Capital Asia Partners L.P.
11) Great Rich Technologies Limited.
12) Rokid Corporation Limited.
13) POJU (Cayman) International Co., Ltd.
14) Elixiron Immunotherapeutics (Cayman) Limited
15) Loopin Cayman Limited.
16) KKR X-Ray Co-invest L.P.
- c. Other.

Note 2: In the column “Investment Gain”:

- a. If it is in preparation and there is no investment gain, it should state clearly.
- b. Investment Gain recognition was based on the following and should state clearly.

1) Financial statements audited by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
2) Financial statements audited by the CPA firm of the parent company in Taiwan;
3) Other.

Note 3: Investee Company was not significantly influenced by the Company; therefore the Group cannot acquire the related financial information.

Note 4: In 2017, CDIB Private Equity (Fujian) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

Note 5: In 2017, CDIB Yida Private Equity (Kunshan) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

Note 6: Subsidiary of the Company formerly indirectly invested in GSD Industrial (China) Co., Ltd. through its subsidiary’s investment in GSD Technologies Co., Ltd. has been listed on the Taiwan Stock Exchange on September 21, 2018, refer to its financial report for the information.

(Concluded)

TABLE 10

KGI FINANCIAL HOLDING CO., LTD. AND SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
0	The Company	KGI Bank	1	Current tax assets	\$ 1,217,220	Note 4	0.03%
1	KGI Bank	The Company	2	Current tax liabilities	1,217,220	Note 4	0.03%
0	The Company	KGI Securities Co., Ltd.	1	Current tax assets	2,398,941	Note 4	0.06%
2	KGI Securities Co., Ltd.	The Company	2	Current tax liabilities	2,398,941	Note 4	0.06%
0	The Company	CDIB Capital Group	1	Current tax assets	591,054	Note 4	0.02%
3	CDIB Capital Group	The Company	2	Current tax liabilities	591,054	Note 4	0.02%
0	The Company	CDIB Capital Group	1	Current tax liabilities	243,911	Note 4	0.01%
3	CDIB Capital Group	The Company	2	Current tax assets	243,911	Note 4	0.01%
0	The Company	KGI Life Insurance Co., Ltd.	1	Current tax liabilities	4,266,816	Note 4	0.11%
4	KGI Life Insurance Co., Ltd.	The Company	2	Current tax assets	4,266,816	Note 4	0.11%
0	The Company	KGI Bank	1	Cash and cash equivalents	12,584,605	Note 4	0.32%
1	KGI Bank	The Company	2	Deposits and remittances	12,584,605	Note 4	0.32%
0	The Company	KGI Life Insurance Co., Ltd.	1	Receivables, net	180,872	Note 4	0.00%
4	KGI Life Insurance Co., Ltd.	The Company	2	Payables	180,872	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI Bank	3	Other financial assets	861,438	Note 4	0.02%
2	KGI Securities Co., Ltd.	KGI Bank	3	Cash and cash equivalents	79,391	Note 4	0.00%
2	KGI Securities Co., Ltd.	KGI Bank	3	Other assets	15,029,616	Note 4	0.38%
1	KGI Bank	KGI Securities Co., Ltd.	3	Deposits and remittances	15,970,445	Note 4	0.41%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
1	KGI Bank	KGI Futures Co., Ltd.	3	Cash and cash equivalents	\$ 277,424	Note 4	0.01%
1	KGI Bank	KGI Futures Co., Ltd.	3	Financial assets at fair value through profit or loss	19,817	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Bank	3	Other financial liabilities	297,241	Note 4	0.01%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Cash and cash equivalents	5,334,025	Note 4	0.14%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Deposits and remittances	5,334,025	Note 4	0.14%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Financial assets at fair value through profit or loss	1,319,875	Note 4	0.03%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Financial liabilities at fair value through profit or loss	1,319,875	Note 4	0.03%
6	China Development Asset Management Corp.	KGI Bank	3	Cash and cash equivalents	200,489	Note 4	0.01%
1	KGI Bank	China Development Asset Management Corp.	3	Deposits and remittances	200,489	Note 4	0.01%
7	CDIB Capital Management Corporation	KGI Bank	3	Cash and cash equivalents	220,669	Note 4	0.01%
1	KGI Bank	CDIB Capital Management Corporation	3	Deposits and remittances	220,669	Note 4	0.01%
8	CDIB Capital International Corporation	KGI Bank	3	Cash and cash equivalents	789,265	Note 4	0.02%
1	KGI Bank	CDIB Capital International Corporation	3	Deposits and remittances	789,265	Note 4	0.02%
9	CDIB Venture Capital (Hong Kong) Corporation Limited	KGI Bank	3	Cash and cash equivalents	1,135,374	Note 4	0.03%
1	KGI Bank	CDIB Venture Capital (Hong Kong) Corporation Limited	3	Deposits and remittances	1,135,374	Note 4	0.03%
1	KGI Bank	KGI Securities Co., Ltd.	3	Receivables, net	364,800	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Bank	3	Payables	364,800	Note 4	0.01%
4	KGI Securities Co., Ltd.	KGI Life Insurance Co., Ltd.	3	Receivables, net	374,941	Note 4	0.01%
2	KGI Life Insurance Co., Ltd.	KGI Securities Co., Ltd.	3	Payables	374,941	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Bank	3	Cash and cash equivalents	498,130	Note 4	0.01%
1	KGI Bank	KGI Futures Co., Ltd.	3	Deposits and remittances	498,130	Note 4	0.01%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
10	CDIB Capital Investment II Limited	KGI Bank	3	Cash and cash equivalents	\$ 374,321	Note 4	0.01%
1	KGI Bank	CDIB Capital Investment II Limited	3	Deposits and remittances	374,321	Note 4	0.01%
1	KGI Bank	KGI Life Insurance Co., Ltd.	3	Service fee and commissions income, net - revenue	224,154	Note 4	0.81%
4	KGI Life Insurance Co., Ltd.	KGI Bank	3	Service fee and commissions income, net - expense	224,154	Note 4	0.81%
2	KGI Securities Co., Ltd.	KGI Bank	3	Interest income	113,202	Note 4	0.41%
1	KGI Bank	KGI Securities Co., Ltd.	3	Interest expenses	113,202	Note 4	0.41%
2	KGI Securities Co., Ltd.	KGI Life Insurance Co., Ltd.	3	Service fee and commissions income, net - revenue	113,909	Note 4	0.41%
4	KGI Life Insurance Co., Ltd.	KGI Securities Co., Ltd.	3	Service fee and commissions income, net - expense	113,909	Note 4	0.41%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Cash and cash equivalents	290,899	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	290,899	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Financial assets at fair value through profit or loss	509,380	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Other financial liabilities	509,380	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI International (Hong Kong) Limited	3	Other liabilities	450,331	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI Securities Co., Ltd.	3	Receivables, net	450,331	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Other financial assets	543,196	Note 4	0.01%
12	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	543,196	Note 4	0.01%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Cash and cash equivalents	159,097	Note 4	0.00%
12	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial liabilities	159,097	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Securities (Singapore) Pte. Ltd.	3	Other financial liabilities	178,419	Note 4	0.00%
12	KGI Securities (Singapore) Pte. Ltd.	KGI Futures Co., Ltd.	3	Other financial assets	178,419	Note 4	0.00%
5	KGI Futures Co., Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	798,180	Note 4	0.02%
13	KGI Futures (Hong Kong) Limited	KGI Futures Co., Ltd.	3	Other financial liabilities	798,180	Note 4	0.02%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
14	KGI Asia Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other liabilities	\$ 263,725	Note 4	0.01%
12	KGI Securities (Singapore) Pte. Ltd.	KGI Asia Limited	3	Receivables, net	263,725	Note 4	0.01%
14	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Payables	397,872	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	397,872	Note 4	0.01%
14	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Other liabilities	302,755	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	302,755	Note 4	0.01%
14	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Financial liabilities at fair value through profit or loss	329,415	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Financial assets at fair value through profit or loss	329,415	Note 4	0.01%
14	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Receivables, net	153,196	Note 4	0.00%
11	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Payables	153,196	Note 4	0.00%
14	KGI Asia Limited	KGI International (Hong Kong) Limited	3	Payables	627,402	Note 4	0.02%
11	KGI International (Hong Kong) Limited	KGI Asia Limited	3	Receivables, net	627,402	Note 4	0.02%
15	KGI Finance Limited	KGI International Holdings Limited	3	Cash and cash equivalents	583,750	Note 4	0.01%
16	KGI International Holdings Limited	KGI Finance Limited	3	Commercial paper payable, net	583,750	Note 4	0.01%
13	KGI Futures (Hong Kong) Limited	KGI Securities (Singapore) Pte. Ltd.	3	Other financial liabilities	837,853	Note 4	0.02%
12	KGI Securities (Singapore) Pte. Ltd.	KGI Futures (Hong Kong) Limited	3	Other financial assets	837,853	Note 4	0.02%
13	KGI Futures (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	1,037,778	Note 4	0.03%
16	KGI International Holdings Limited	KGI Futures (Hong Kong) Limited	3	Commercial paper payable, net	1,037,778	Note 4	0.03%
13	KGI Futures (Hong Kong) Limited	KGI International (Hong Kong) Limited	3	Other financial liabilities	382,610	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI Futures (Hong Kong) Limited	3	Receivables, net	382,610	Note 4	0.01%
11	KGI International (Hong Kong) Limited	KGI International Holdings Limited	3	Cash and cash equivalents	5,351,041	Note 4	0.14%
16	KGI International Holdings Limited	KGI International (Hong Kong) Limited	3	Commercial paper payable, net	5,351,041	Note 4	0.14%

(Continued)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
11	KGI International (Hong Kong) Limited	PT KGI Sekuritas Indonesia	3	Receivables, net	\$ 522,015	Note 4	0.01%
17	PT KGI Sekuritas Indonesia	KGI International (Hong Kong) Limited	3	Payables	2,815	Note 4	0.00%
17	PT KGI Sekuritas Indonesia	KGI International (Hong Kong) Limited	3	Other borrowings	519,200	Note 4	0.01%
2	KGI Securities Co., Ltd.	KGI Futures Co., Ltd.	3	Service and commission, net - revenues	105,298	Note 4	0.38%
5	KGI Futures Co., Ltd.	KGI Securities Co., Ltd.	3	Service and commission, net - expenses	105,298	Note 4	0.38%
2	KGI Securities Co., Ltd.	KGI Securities Investment Consultants Co., Ltd.	3	Operating expense	126,120	Note 4	0.46%
18	KGI Securities Investment Consultants Co., Ltd.	KGI Securities Co., Ltd.	3	Other items of net profit or loss	126,120	Note 4	0.46%
2	KGI Securities Co., Ltd.	KGI Insurance Brokers, Inc.	3	Service and commission, net - revenues	113,019	Note 4	0.41%
19	KGI Insurance Brokers, Inc.	KGI Securities Co., Ltd.	3	Service and commission, net - expenses	113,019	Note 4	0.41%
20	KGI Hong Kong Limited	KGI Asia Limited	3	Service and commission, net	748,823	Note 4	2.72%
14	KGI Asia Limited	KGI Hong Kong Limited	3	Operating expenses	748,823	Note 4	2.72%
20	KGI Hong Kong Limited	KGI Futures (Hong Kong) Limited	3	Service and commission, net	117,110	Note 4	0.43%
13	KGI Futures (Hong Kong) Limited	KGI Hong Kong Limited	3	Operating expense	117,110	Note 4	0.43%
20	KGI Hong Kong Limited	KGI International (Hong Kong) Limited	3	Service and commission, net	149,021	Note 4	0.54%
11	KGI International (Hong Kong) Limited	KGI Hong Kong Limited	3	Operating expense	149,021	Note 4	0.54%
22	CDIB Capital Investment I Limited	CDIB Real Estate Credit Ltd.	3	Financial assets measured at amortized cost	563,906	Note 4	0.01%
23	CDIB Real Estate Credit Ltd.	CDIB Capital Investment I Limited	3	Bonds payable	563,906	Note 4	0.01%
24	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Service and commission, net - revenues	100,882	Note 4	0.37%
8	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expense	100,882	Note 4	0.37%

(Continued)

Note 1: The consolidated entities are identified in the No. column as follows: Parent company - 0; subsidiaries - numbered from 1 by company.

Note 2: Transaction flows are as follows: (1) from parent to subsidiary; (2) from subsidiary to parent; and (3) between subsidiaries.

Note 3: The ratio is calculated as follows: For asset and liability accounts - Transaction amount in the ending period/Total consolidated assets; for income and expense accounts - Transaction amount in the midterm/Total consolidated net profit.

Note 4: The transaction criteria for related parties are similar to those for third parties.

Note 5: Transactions each amounted to at least NT\$100 million.

(Concluded)

TABLE 11-1

KGI SECURITIES AND ITS SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

BALANCE SHEETS OF INVESTEEES

JUNE 30, 2024

(Expressed in U.S. Dollars)

ASSETS	Richpoint Company Limited	KG Investments Holdings Limited	KGI International Holdings Limited	KGI Limited	KGI International Limited
CURRENT ASSETS					
Cash and cash equivalents	\$ 86,535	\$ 41	\$ 71,811	\$ 4,642	\$ 431
Other current assets	<u>755</u>	<u>-</u>	<u>31,156,162</u>	<u>-</u>	<u>1,006,180</u>
Total current assets	<u>87,290</u>	<u>41</u>	<u>31,227,973</u>	<u>4,642</u>	<u>1,006,611</u>
NONCURRENT ASSETS					
Investments accounted for using the equity method	<u>613,782,667</u>	<u>604,257,328</u>	<u>848,987,116</u>	<u>453,287,344</u>	<u>69,141,564</u>
Total noncurrent assets	<u>613,782,667</u>	<u>604,257,328</u>	<u>848,987,116</u>	<u>453,287,344</u>	<u>69,141,564</u>
TOTAL	<u>\$ 613,869,957</u>	<u>\$ 604,257,369</u>	<u>\$ 880,215,089</u>	<u>\$ 453,291,986</u>	<u>\$ 70,148,175</u>
LIABILITIES AND EQUITY					
CURRENT LIABILITIES					
Short-term borrowings	\$ 58,700,000	\$ -	\$ -	\$ -	\$ -
Commercial paper payables	-	-	239,009,779	-	-
Other payables	<u>176,626</u>	<u>5,558,502</u>	<u>37,911,566</u>	<u>3,664</u>	<u>1,767</u>
Total current liabilities	<u>58,876,626</u>	<u>5,558,502</u>	<u>276,921,345</u>	<u>3,664</u>	<u>1,767</u>
Total liabilities	<u>58,876,626</u>	<u>5,558,502</u>	<u>276,921,345</u>	<u>3,664</u>	<u>1,767</u>
EQUITY					
Common stock	92,872,376	156,864,163	209,248,261	389,239,174	81,511,717
Capital reserve	1,127,416	332,729	54,917,436	-	-
Special reserve	-	9,759,135	387,913	-	-
Retained earnings (accumulated deficit)	486,071,493	456,820,794	363,594,478	64,049,148	(11,365,309)
Other equity	<u>(25,077,954)</u>	<u>(25,077,954)</u>	<u>(24,854,344)</u>	<u>-</u>	<u>-</u>
Total equity	<u>554,993,331</u>	<u>598,698,867</u>	<u>603,293,744</u>	<u>453,288,322</u>	<u>70,146,408</u>
TOTAL	<u>\$ 613,869,957</u>	<u>\$ 604,257,369</u>	<u>\$ 880,215,089</u>	<u>\$ 453,291,986</u>	<u>\$ 70,148,175</u>

TABLE 11-2

KGI SECURITIES AND ITS SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

BALANCE SHEETS OF INVESTEEES

JUNE 30, 2024

(Expressed in U.S. Dollars)

	Global Treasure Investments Limited	KGI Hong Kong Limited	KGI Nominees (Hong Kong) Limited	KGI Asia (Holdings) Pte. Ltd.
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ -	\$ 635,024	\$ -	\$ 410,732
Prepayments	-	2,324,306	-	-
Other current assets	<u>1</u>	<u>2,245,549</u>	<u>1</u>	<u>-</u>
Total current assets	<u>1</u>	<u>5,204,879</u>	<u>1</u>	<u>410,732</u>
NONCURRENT ASSETS				
Investments accounted for using the equity method	-	-	-	168,258,581
Property and equipment	-	3,669,916	-	-
Right-of-use assets	-	14,448,312	-	-
Intangible assets	-	500,068	-	-
Other noncurrent assets	<u>-</u>	<u>58,631</u>	<u>-</u>	<u>-</u>
Total noncurrent assets	<u>-</u>	<u>18,676,927</u>	<u>-</u>	<u>168,258,581</u>
TOTAL	<u><u>\$ 1</u></u>	<u><u>\$ 23,881,806</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 168,669,313</u></u>
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings	\$ -	\$ -	\$ -	\$ 79,955,744
Lease liabilities - current	-	4,715,368	-	-
Other payables	-	13,666,091	-	180,119
Current tax liabilities	<u>-</u>	<u>82,469</u>	<u>-</u>	<u>26,432</u>
Total current liabilities	<u>-</u>	<u>18,463,928</u>	<u>-</u>	<u>80,162,295</u>
NONCURRENT LIABILITIES				
Provisions - noncurrent	-	2,184,192	-	-
Lease liabilities - noncurrent	-	10,803,086	-	-
Deferred tax liabilities	<u>-</u>	<u>293,854</u>	<u>-</u>	<u>-</u>
Total noncurrent liabilities	<u>-</u>	<u>13,281,132</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>31,745,060</u>	<u>-</u>	<u>80,162,295</u>
EQUITY				
Common stock	1	15,000	1	75,749,306
Special reserve	-	313,533	-	-
Retained earnings (accumulated deficit)	-	(8,191,787)	-	12,705,399
Other equity	<u>-</u>	<u>-</u>	<u>-</u>	<u>52,313</u>
Total equity	<u>1</u>	<u>(7,863,254)</u>	<u>1</u>	<u>88,507,018</u>
TOTAL	<u><u>\$ 1</u></u>	<u><u>\$ 23,881,806</u></u>	<u><u>\$ 1</u></u>	<u><u>\$ 168,669,313</u></u>

TABLE 12-1

KGI SECURITIES AND ITS SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

STATEMENT OF COMPREHENSIVE INCOME OF INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(Expressed in U.S. Dollars)

	Richpoint Company Limited	KG Investments Holdings Limited	KGI International Holdings Limited	KGI Limited	KGI International Limited
REVENUES					
Other operating income	\$ -	\$ (123)	\$ (540)	\$ (4)	\$ 45
	<u>-</u>	<u>(123)</u>	<u>(540)</u>	<u>(4)</u>	<u>45</u>
COSTS AND EXPENSES					
Finance costs	(1,806,768)	-	(4,007,527)	-	-
Other operating expenses	<u>(10,320)</u>	<u>(1,361)</u>	<u>(46,394)</u>	<u>(2,996)</u>	<u>(2,522)</u>
Total costs and expenses	<u>(1,817,088)</u>	<u>(1,361)</u>	<u>(4,053,921)</u>	<u>(2,996)</u>	<u>(2,522)</u>
INCOME (LOSS) FROM OPERATIONS	<u>(1,817,088)</u>	<u>(1,484)</u>	<u>(4,054,461)</u>	<u>(3,000)</u>	<u>(2,477)</u>
SHARE OF PROFIT OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES	20,405,933	20,407,417	23,444,707	-	-
OTHER REVENUE AND EXPENSE	<u>239</u>	<u>-</u>	<u>1,017,171</u>	<u>7,574,000</u>	<u>-</u>
NON-OPERATING REVENUE AND EXPENSE	<u>20,406,172</u>	<u>20,407,417</u>	<u>24,461,878</u>	<u>7,574,000</u>	<u>-</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>18,589,084</u>	<u>20,405,933</u>	<u>20,407,417</u>	<u>7,571,000</u>	<u>(2,477)</u>
OTHER COMPREHENSIVE INCOME	<u>(5,757,897)</u>	<u>(5,757,897)</u>	<u>(5,757,897)</u>	<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 12,831,187</u>	<u>\$ 14,648,036</u>	<u>\$ 14,649,520</u>	<u>\$ 7,571,000</u>	<u>\$ (2,477)</u>

TABLE 12-2

KGI SECURITIES AND ITS SUBSIDIARIES
(Formerly China Development Financial Holding Corporation)

STATEMENT OF COMPREHENSIVE INCOME OF INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2024
(Expressed in U.S. Dollars)

	Global Treasure Investments Limited	KGI Hong Kong Limited	KGI Nominees (Hong Kong) Limited	KGI Asia (Holdings) Pte. Ltd.
REVENUES				
Other operating income	\$ -	\$ 139,638	\$ -	\$ 4,477
	-	139,638	-	4,477
COSTS AND EXPENSES				
Brokerage handling fee expenses	-	(29,144)	-	-
Finance costs	-	(313,182)	-	(1,881,010)
Other operating expenses	-	(9,822,719)	-	-
Employee benefits	-	(17,341,313)	-	-
Depreciation and amortization	-	(3,516,173)	-	-
Other operating expenses	-	(6,716,999)	-	(14,691)
Total costs and expenses	-	(37,739,530)	-	(1,895,701)
GAIN (LOSS) FROM OPERATIONS	-	(37,599,892)	-	(1,891,254)
OTHER REVENUE AND EXPENSE	-	33,176,584	-	6,042,391
NON-OPERATING REVENUE AND EXPENSE	-	33,176,584	-	6,042,391
NET PROFIT (LOSS) BEFORE INCOME TAX	-	(4,423,308)	-	4,151,137
INCOME TAX EXPENSE	-	-	-	(601,214)
NET PROFIT (LOSS) FOR THE PERIOD	-	(4,423,308)	-	3,549,923
OTHER COMPREHENSIVE INCOME (LOSS)	-	-	-	(2,361,701)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	\$ -	\$ (4,423,308)	\$ -	\$ 1,188,222