CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2020 and 2019 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholder
CDIB Capital Group

Opinion

We have audited the accompanying consolidated financial statements of CDIB Capital Group (the "Corporation") and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2020, December 31, 2019 and June 30, 2019, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2020 and 2019, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of CDIB Capital Group and subsidiaries as of June 30, 2020, December 31, 2019 and June 30, 2019, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2020 and 2019, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and 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, 2020. 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 matter for the Corporation and its subsidiaries' consolidated financial statements for the six months ended June 30, 2020 is stated as follows:

<u>Fair Value Measurement of Financial Instruments with No Quoted Market Prices in An Active Market</u>

Management uses valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in valuation model are unobservable inputs. For the fact that the inputs involve material managerial estimation and judgement, we identified the valuation as a key audit matter for the six months ended June 30, 2020.

Refer to Notes 4, 5 and 28 for the relevant accounting policies, critical accounting judgments, estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

We understood and assessed the Corporation's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operation effectiveness. We selected samples from the financial assets with no quoted market prices in an active market and we evaluated and re-performed the appropriateness of the parameters, such as the selection of comparable companies and reasonability of the financial multipliers used in the valuation models.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Corporation and subsidiaries' 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 Corporation and subsidiaries 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 Corporation and subsidiaries' 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and subsidiaries' 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 Corporation and subsidiaries' 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 Corporation and subsidiaries 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 Corporation and subsidiaries 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, 2020 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Mei-Hui Wu and Kwan-Chung Lai.

Wu Mei Hui

Kwan-Chung Lai

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2020

<u>*Notice to Readers*</u>

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

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 Republic of China. 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.

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2020		December 31, 2019		June 30, 2019	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	$ 10,105,456	25	$ 12,400,992	27	$ 9,246,728	20
Financial assets at fair value through profit or loss - current (Notes 4, 8, 26 and 28)	282,394	1	281,737	1	280,988	-
Other receivables (Notes 7 and 26)	786,673	2	723,911	2	2,018,743	4
Current tax assets (Notes 24 and 26)	270,307	1	267,621	-	324,291	1
Other current assets	253,027	-	279,829	1	436,562	1
Total current assets	11,697,857	29	13,954,090	31	12,307,312	26
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10 and 28)	15,682,159	39	17,050,406	38	19,135,206	41
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 28)	108,812	-	108,687	-	159,061	1
Amortized cost financial assets - non-current (Notes 4 and 28)	531,578	1	-	-	-	-
Investments accounted for using the equity method (Notes 9 and 10)	10,592,106	26	12,457,142	27	12,981,705	28
Property and equipment (Note 11)	629,874	2	527,058	1	556,008	1
Right-of-use assets (Note 12)	83,666	-	109,433	-	132,415	-
Investment properties (Note 13)	944,368	2	1,064,631	2	1,051,647	2
Other non-current assets (Notes 14 and 24)	232,969	1	226,743	1	217,163	1
Total non-current assets	28,805,532	71	31,544,100	69	34,233,205	74
TOTAL	$ 40,503,389	100	$ 45,498,190	100	$ 46,540,517	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Other payables (Note 15)	$ 559,079	1	$ 838,612	2	$ 675,047	1
Current tax liabilities (Notes 24 and 26)	647,906	2	673,302	2	702,976	2
Lease liabilities - current (Note 12)	48,405	-	48,668	-	48,073	-
Other current liabilities (Note 26)	187,063	1	107,452	-	187,734	-
Total current liabilities	1,442,453	4	1,668,034	4	1,613,830	3
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 8, 26 and 28)	3,515	-	-	-	-	-
Provisions - non-current (Notes 16 and 17)	143,723	-	146,715	-	149,046	1
Deferred tax liabilities (Note 24)	326,913	1	345,775	1	430,172	1
Lease liabilities - non-current (Note 12)	35,949	-	61,275	-	84,660	-
Other non-current liabilities (Notes 18, 26 and 29)	403,304	1	509,543	1	543,603	1
Total non-current liabilities	913,404	2	1,063,308	2	1,207,481	3
Total liabilities	2,355,857	6	2,731,342	6	2,821,311	6
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 19)						
Capital	20,411,159	50	20,411,159	45	20,411,159	44
Capital surplus	590,409	1	590,409	1	590,103	1
Retained earnings						
Legal reserve	18,747,990	46	18,525,309	41	18,525,309	40
Special reserve	395,150	1	395,150	1	395,150	1
Unappropriated earnings (accumulated deficit)	(1,461,867)	(3)	2,226,807	5	2,510,962	5
Other equity						
Exchange differences on translation of foreign financial statements	(1,979,599)	(5)	(1,573,280)	(4)	(722,730)	(1)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,359,680	4	2,096,789	5	1,916,092	4
Total equity attributable to owners of the parent	38,062,922	94	42,672,343	94	43,626,045	94
NON-CONTROLLING INTERESTS	84,610	-	94,505	-	93,161	-
Total equity	38,147,532	94	42,766,848	94	43,719,206	94
TOTAL	$ 40,503,389	100	$ 45,498,190	100	$ 46,540,517	100

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2020		2019	
	Amount	%	Amount	%
OPERATING REVENUE				
Dividend income	$ 110,216	13	$ 77,112	2
Share of profit or loss of associates and joint ventures	(565,976)	(66)	626,344	20
Gain (loss) on financial assets measured at fair value through profit or loss (Note 20)	(705,130)	(83)	2,170,177	68
Consulting service revenue (Note 26)	307,229	36	333,300	10
Other operating revenue	2,886	-	5,149	-
Total operating revenue	(850,775)	(100)	3,212,082	100
OPERATING COSTS				
Expected credit loss	13,959	2	-	-
GROSS PROFIT (LOSS)	(864,734)	(102)	3,212,082	100
OPERATING EXPENSES (Notes 21, 22 and 26)	787,855	92	797,184	24
PROFIT (LOSS) FROM OPERATIONS	(1,652,589)	(194)	2,414,898	76
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange gain (loss), net	(6,988)	(1)	646	-
Interest income (Note 26)	92,231	11	125,615	4
Interest expenses	(725)	-	(751)	-
Other gains and losses (Notes 23 and 26)	64,517	7	68,968	2
Total non-operating income and expenses	149,035	17	194,478	6
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(1,503,554)	(177)	2,609,376	82
INCOME TAX BENEFIT (EXPENSE) (Note 24)	48,245	6	(91,089)	(3)
NET PROFIT (LOSS) FOR THE PERIOD	(1,455,309)	(171)	2,518,287	79
OTHER COMPREHENSIVE INCOME (LOSS)				
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	(737,233)	(87)	448,897	14

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2020		2019	
	Amount	%	Amount	%
Items that will be reclassified subsequently to profit or loss, net of income tax				
Exchange differences on translation of financial statements of foreign operations	$ (330,726)	(39)	$ 247,622	8
Gain (loss) on debt instruments measured at fair value through other comprehensive income	124	-	(86)	-
Share of the other comprehensive income (loss) of associates and joint ventures	(78,199)	(9)	47,092	1
Other comprehensive income (loss) for the period, net of income tax	(1,146,034)	(135)	743,525	23
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	$ (2,601,343)	(306)	$ 3,261,812	102
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	$ (1,461,867)	(172)	$ 2,510,962	79
Non-controlling interests	6,558	1	7,325	-
	$ (1,455,309)	(171)	$ 2,518,287	79
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	$ (2,605,295)	(306)	$ 3,253,725	102
Non-controlling interests	3,952	-	8,087	-
	$ (2,601,343)	(306)	$ 3,261,812	102
EARNINGS (LOSSES) PER SHARE (Note 25)				
Basic	$(0.72)		$1.23	

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	Equity Attributable to Owners of Parent									
			Retained Earnings			Other Equity				
	Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)	Exchange Differences on Translating of Foreign Financial Statements	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2019	$ 20,411,159	$ 589,866	$ 21,525,309	$ 667,434	$ 4,041,723	$ (1,016,683)	$ 1,467,282	$ 47,686,090	$ 87,300	$ 47,773,390
Appropriation of the 2018 earnings										
Special reserve reversed	-	-	-	(272,284)	272,284	-	-	-	-	-
Cash dividends - NT$2.11 per share	-	-	-	-	(4,314,007)	-	-	(4,314,007)	-	(4,314,007)
	-	-	-	(272,284)	(4,041,723)	-	-	(4,314,007)	-	(4,314,007)
Cash dividend from legal reserve	-	-	(3,000,000)	-	-	-	-	(3,000,000)	-	(3,000,000)
Net profit for the six months ended June 30, 2019	-	-	-	-	2,510,962	-	-	2,510,962	7,325	2,518,287
Other comprehensive income (loss) for the six months ended June 30, 2019, net income tax	-	-	-	-	-	293,953	448,810	742,763	762	743,525
Total comprehensive income (loss) for the six months ended June 30, 2019	-	-	-	-	2,510,962	293,953	448,810	3,253,725	8,087	3,261,812
Share-based payment	-	237	-	-	-	-	-	237	-	237
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(2,226)	(2,226)
BALANCE AT JUNE 30, 2019	$ 20,411,159	$ 590,103	$ 18,525,309	$ 395,150	$ 2,510,962	$ (722,730)	$ 1,916,092	$ 43,626,045	$ 93,161	$ 43,719,206
BALANCE AT JANUARY 1, 2020	$ 20,411,159	$ 590,409	$ 18,525,309	$ 395,150	$ 2,226,807	$ (1,573,280)	$ 2,096,789	$ 42,672,343	$ 94,505	$ 42,766,848
Appropriation of the 2019 earnings										
Special reserve reversed	-	-	222,681	-	(222,681)	-	-	-	-	-
Cash dividends - NT$0.98 per share	-	-	-	-	(2,004,126)	-	-	(2,004,126)	-	(2,004,126)
	-	-	222,681	-	(2,226,807)	-	-	(2,004,126)	-	(2,004,126)
Net profit (loss) for the six months ended June 30, 2020	-	-	-	-	(1,461,867)	-	-	(1,461,867)	6,558	(1,455,309)
Other comprehensive income (loss) for the six months ended June 30, 2020, net income tax	-	-	-	-	-	(406,319)	(737,109)	(1,143,428)	(2,606)	(1,146,034)
Total comprehensive income (loss) for the six months ended June 30, 2020	-	-	-	-	(1,461,867)	(406,319)	(737,109)	(2,605,295)	3,952	(2,601,343)
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(13,847)	(13,847)
BALANCE AT JUNE 30, 2020	$ 20,411,159	$ 590,409	$ 18,747,990	$ 395,150	$ (1,461,867)	$ (1,979,599)	$ 1,359,680	$ 38,062,922	$ 84,610	$ 38,147,532

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2020	**2019**
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) before income tax	$ (1,503,554)	$ 2,609,376
Adjustments for reconciliation of net profit (loss)		
Depreciation expenses	47,912	46,548
Amortization expenses	2,418	5,912
Expected credit loss	13,959	-
Net (gain) loss on financial assets at fair value through profit or loss	705,130	(2,170,177)
Interest expense	725	751
Interest income	(92,231)	(125,615)
Dividend income	(110,216)	(77,112)
Share of profit or loss of associates and joint ventures	565,976	(626,344)
Others	3,532	4,293
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	560,256	1,713,282
Other receivables	94,502	(804,975)
Other current assets	69,745	(34,924)
Other operating assets	(66,504)	(9,174)
Other payables	(382,802)	(166,203)
Other current liabilities	77,685	92,200
Other operating liabilities	(108,287)	29,730
Cash generated (used) from operations	(121,754)	487,568
Interest received	105,222	118,354
Dividend received	89,663	101,194
Interest paid	(968)	(841)
Income tax paid	(33,635)	(18,697)
Net cash generated from operating activities	38,528	687,578
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at amortized cost	(552,094)	-
Acquisition of financial assets designated as at fair value through profit or loss	(27,076)	(125,534)
Acquisition of investments accounted for using equity method	(14,173)	(387,718)
Proceeds from capital reduction of investments accounted for using equity method	240,944	83,020
Others	(5,558)	(11,957)
Net cash used in investing activities	(357,957)	(442,189)

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CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2020	**2019**
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	$ (25,235)	$ (24,050)
Cash dividends paid	(2,004,126)	(4,314,007)
Cash dividends distributed from legal reserve	-	(3,000,000)
Net cash used in financing activities	(2,029,361)	(7,338,057)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	53,254	65,318
NET DECREASE IN CASH AND CASH EQUIVALENTS	(2,295,536)	(7,027,350)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12,400,992	16,274,078
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 10,105,456	$ 9,246,728

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

1. GENERAL INFORMATION

CDIB Capital Group (the "Corporation") was incorporated under the Company Act and relevant regulations of the Republic of China ("ROC") and started its operations on May 14, 1959. Effective January 1999, the Corporation was converted from a trust corporation into an industrial bank under ROC government's approval. On December 28, 2001, the Corporation initiated a share swap transaction with China Development Financial Holding Corporation ("CDFH", the Corporation's parent company) at a 1:1 ratio, which was approved by the ROC Ministry of Finance (MOF). Thereafter, the Corporation became a wholly-owned subsidiary of CDFH. Pursuant to the ROC Financial Holding Company Act, CDFH's shares were listed on the Taiwan Stock Exchange ("TSE") after the aforementioned share swap transaction and the Corporation's shares were delisted from TSE simultaneously.

On May 1, 2015, the Corporation's board of the directors approved the transfer to KGI Bank of (a) all assets and liabilities associated with the commercial banking business of the Corporation and (b) the Corporation's holdings of shares in the Corporation's leasing subsidiaries and in the Taiwan Financial Asset Service Corporation.

On January 19, 2017, under the approval of the board of directors who had been authorized to exercise the rights on behalf of the shareholder's meeting, China Development Industrial Bank was converted and the name became CDIB Capital Group. The date of conversion was March 15, 2017, and the Corporation will continue to expand its assets management business. The Financial Supervisory Commission ("FSC") issued an approval letter, Official Letter No. 1600025880 dated March 10, 2017, for the aforementioned conversion.

The Corporation is mainly engaged in the business of securities investments, investments in financial related business, venture capital and other activities approved by the government authorities.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and were authorized for issue on August 12, 2020.

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

- New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
"Annual Improvements to IFRS Standards 2018–2020"	January 1, 2022 (Note 2)
Amendments to IFRS 3 "Reference to the Conceptual Framework"	January 1, 2022 (Note 3)
Amendments to IFRS 4 "Extension of the Temporary Exemption from Applying IFRS 9"	Effective immediately upon promulgation by the IASB
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 IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 16 "Property, Plant and Equipment - Proceeds before Intended Use"	January 1, 2022 (Note 4)
Amendments to IAS 37 "Onerous Contracts–Cost of Fulfilling a Contract"	January 1, 2022 (Note 5)

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 3: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 4: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 5: The amendments are applicable to contracts for which the entity has not yet fulfilled all its obligations on January 1, 2022.

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

   The amendments stipulate that, when the Group sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, 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 or joint venture, 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 or joint venture, 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 or joint control over an associate or a joint venture, 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 or joint venture, i.e., the Group's share of the gain or loss is eliminated.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that for a liability to be classified as non-current, the Group shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Group will exercise that right. The amendments also clarify that, if the right to defer settlement is subject to compliance with specified conditions, the Group must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date.

The amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Group's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Group's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32: Financial Instruments: Presentation, the aforementioned terms would not affect the classification of the liability.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis expect 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 minus fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Principles for Preparing Consolidation Financial Statements

The Corporation and its subsidiaries have been included in the consolidated financial statements. All significant intra-group transactions, balances, income and expenses have been eliminated in full upon consolidation.

The subsidiaries' accounting policies are the same as those used by the Corporation.

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

As of June 30, 2020, December 31, 2019 and June 30, 2019, the consolidated entities included in the consolidated financial statements included 21, 20 and 20 companies, respectively (please refer to the attached Table 6 for details).

Financial Instruments

Financial assets and financial liabilities are recognized when the Corporation and 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 issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) 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 FVTPL 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 categories

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

   1) Financial assets at FVTPL

      Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets 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 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, and any dividends earned and remeasurement gains or losses on such financial assets are recognized in operating revenue. Fair value is determined in the manner described in Note 28.

   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.

Since initial recognization, the amortised cost financial assets have been determined by total carrying amount calculated using effective interest method minus impairment losses measured at amortized cost.

Interest revenue is calculated by multiplying effective interest rate by the total carrying amount of financial assets, except for the ones that subsequently became credit loss financial assets, which are calculated by multiplying effective interest rate by amortized cost of financial assets.

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 interest income calculated using the effective interest method, foreign currency exchange rates 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.

b. Impairment of financial assets

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

For the financial instruments, the Corporation and subsidiaries recognize lifetime Expected Credit Loss (i.e. ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation and subsidiaries measure 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 a 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.

For internal credit risk management purposes, the Corporation and subsidiaries determine the situation that internal or external information show that the debtor is unlikely to pay its creditors indicate that a financial asset is in default (without taking into account any collateral held by the Group)

The Corporation and subsidiaries recognize an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount 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 the financial asset.

c. Impairment of financial assets

The Corporation and subsidiaries derecognize a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

Equity instruments

Debt and equity instruments issued by the Corporation and subsidiaries are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Corporation and subsidiaries are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Derivative financial instruments

The derivative instruments signed by the Corporation and subsidiaries are cross-currency swap contracts, which is used to manage the Corporation and subsidiaries' interest and risks of exchange rate.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Except for the following, please refer to summary of significant accounting policies in the consolidated financial statement for the year ended December 31, 2019.

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.

Taxation

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.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation and subsidiaries' accounting policies, which are described in Note 4, management is required to make judgments, estimates and assumptions about 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 accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Fair value measurement of financial products with no quoted market prices in an active market

Management uses valuation model or refers to the available quotations from other financial institutions in determining the fair value of financial products and takes the economic influence of COVID-19 into consideration with no quoted market prices in an active market. Parameters used in valuation model are unobservable inputs, which involve material managerial estimation and judgement.

6. CASH AND CASH EQUIVALENTS

	June 30, 2020	December 31, 2019	June 30, 2019
Cash on hand	$ 26	$ 27	$ 28
Checking accounts and demand deposits	1,466,750	2,622,900	1,813,298
Cash equivalent			
Short-term notes	-	1,467,653	1,018,828
Time deposits	8,638,680	8,310,412	6,414,574
	$ 10,105,456	$ 12,400,992	$ 9,246,728

7. OTHERS RECEIVABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Receivable from securities sold	$ 337,546	$ 442,829	$ 1,452,164
Accrued incomes	260,913	83,894	324,589
Interest receivable	143,548	156,539	165,403
Others	44,666	40,649	76,587
	$ 786,673	$ 723,911	$ 2,018,743

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

a. Financial assets at fair value through profit or loss - current

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets mandatorily classified as at FVTPL			
Nonderivative financial instrument			
Open-ended funds	$ 282,394	$ 281,737	$ 280,988

b. Financial assets at fair value through profit or loss - non-current

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets mandatorily classified as at FVTPL			
Nonderivative financial instrument			
Stocks	$ 9,000,261	$ 9,362,060	$ 10,728,637
Partnership funds	4,475,873	5,309,881	6,719,197
Others	649,947	798,319	782,352
	14,126,081	15,470,260	18,230,186
Financial assets designated as at FVTPL			
Associates	1,556,078	1,580,146	905,020
Financial assets at FVTPL	$ 15,682,159	$ 17,050,406	$ 19,135,206
Financial liabilities held for trading			
Non-designated hedge derivatives			
Cross-currency swap contracts	$ 3,515	$ -	$ -

As of June 30, 2020, cross-currency swap contracts which are not designated as hedging instruments also not matured were as follows:

June 30, 2020

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD18,841	May 26, 2022	1,199 (USD/KRW)	8.90%	8.70%

The main objective of the Corporation and subsidiaries made cross-currency transaction, is to hedge the risks which generated by currency asset and liabilities due to the fluctuation of exchange rate and rate.

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates that are not individually material

	June 30, 2020	December 31, 2019	June 30, 2019
Unlisted companies			
CDIB Partners Investment Holding Corp.	$ 4,565,070	$ 5,585,664	$ 5,488,115
CDIB Capital Asia Partners L.P.	2,359,365	2,833,332	3,241,204
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	1,405,442	1,525,410	1,655,525
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,142,416	1,331,616	1,398,587
CDIB Capital Health Ventures Limited	620,917	563,209	620,650
CDIB Capital Creative Industries Limited	413,474	532,409	534,954
Others	85,422	85,502	42,670
	$ 10,592,106	$ 12,457,142	$ 12,981,705

As of June 30, 2020, December 31, 2019 and June 30, 2019, associates that are not individually material listed on financial assets designated as at FVTPL were $1,556,078 thousand, $1,580,146 thousand and $905,020 thousand, respectively.

Investments accounted for using equity method and the Corporation and subsidiaries' share of earnings and other comprehensive income of CDIB & Partner Investment Holding Corporation is calculated based on audited financial statements; those of other affiliates are calculated based on unaudited financial statements. Management believed that there would have been no significant effect on the consolidated financial statements through the financial statements of these investees had not been audited.

The Corporation and subsidiaries had not pledged any investments accounted for using the equity method as collateral.

10. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Partnership funds investment

The Corporation and subsidiaries hold equities in structured entities but do not have significant influence; the Corporation and subsidiaries have rights and obligations stipulated in the contract.

	June 30, 2020	December 31, 2019	June 30, 2019
Partnership funds investment			
Financial assets at FVTPL	$ 4,475,873	$ 5,309,881	$ 6,719,197
Maximum exposure	4,475,873	5,309,881	6,719,197

b. Partnership funds management

The Corporation and subsidiaries have equities in the following structured entities as well as obligations for the investment and management of the entities. The Corporation and subsidiaries have significant influence over the investments and management of such entities.

The funds of unconsolidated structured entities are from the Corporation and subsidiaries and external third parties.

	June 30, 2020	December 31, 2019	June 30, 2019
Partnership funds management			
Total assets	$ 21,922,502	$ 24,475,759	$ 25,458,316
Total liabilities	87,880	173,055	156,087
Investments accounted for using equity method	4,907,223	5,690,358	6,295,316
Financial assets designated as at FVTPL	1,243,068	1,258,060	586,598
Maximum exposure	6,150,291	6,948,418	6,881,914

11. PROPERTY AND EQUIPMENT

	June 30, 2020	December 31, 2019	June 30, 2019
Land	$ 392,947	$ 325,894	$ 338,925
Buildings and facilities	216,708	181,802	199,748
Computer equipment	8,348	9,419	6,123
Transportation equipment	-	7	13
Other equipment	3,502	4,952	5,753
Leasehold improvements	4,376	4,791	5,446
	625,881	526,865	556,008
Prepayments for acquisition of properties	3,993	193	-
	$ 629,874	$ 527,058	$ 556,008

Except for depreciation recognized, the Corporation and subsidiaries had no significant addition, disposal and impairment of property and equipment during the six month ended June 30, 2020 and 2019.

The above items of property and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Computer equipment	4-8 years
Transportation equipment	5 years
Other equipment	
Office furniture and equipment	5-8 years
Others	5 years
Leasehold improvements	lower of leasehold lives or useful lives

The Corporation and subsidiaries had not pledged any property and equipment as collateral.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
Buildings and facilities	$ 82,204	$ 107,462	$ 131,077
Computer equipment	1,392	1,760	986
Transportation equipment	70	211	352
	$ 83,666	$ 109,433	$ 132,415

	For the Six Months Ended June 30	
	2020	2019
Additions to right-of-use assets	$ 7,107	$ 93,331
Depreciation of right-of-use assets		
Buildings and facilities	$ 24,728	$ 23,077
Computer equipment	141	41
Transportation equipment	334	141
	$ 25,203	$ 23,259

b. Lease liabilities

	June 30, 2020	December 31, 2019	June 30, 2019
Carrying amounts			
Current	$ 48,405	$ 48,668	$ 48,073
Non-current	$ 35,949	$ 61,275	$ 84,660

Range of discount rate for lease liabilities were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Buildings and facilities	0.71%-1.01%	0.80%-1.01%	0.80%-1.01%
Computer equipment	0.82%-1.07%	0.82%-1.07%	1.07%
Transportation equipment	0.86%	0.86%	0.86%

The maturity analysis of lease liabilities were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Not later than 1 year	$ 48,559	$ 49,220	$ 49,049
Later than 1 year and not later than 5 years	36,040	61,794	85,511
	$ 84,599	$ 111,014	$ 134,560

c. Material lease-in activities and terms

The Corporation and subsidiaries lease buildings and facilities, computer equipment and transportation equipment with lease terms of 1 to 5 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 Corporation and subsidiaries, please refer to Note 13.

	For the Six Months Ended June 30	
	2020	**2019**
Expenses relating to short-term leases	$ 11,140	$ 13,339
Total cash outflow for leases	$ 51,008	$ 36,781

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

13. INVESTMENT PROPERTIES

	June 30, 2020	**December 31, 2019**	**June 30, 2019**
Land	$ 738,780	$ 805,834	$ 792,802
Buildings and facilities	205,588	258,797	258,845
	$ 944,368	$ 1,064,631	$ 1,051,647

Except for depreciation recognized, the Corporation and subsidiaries' had no significant addition, disposal and impairment of investment property during the six month ended June 30, 2020 and 2019.

The above items of investment properties are depreciated on a straight-line basis over the estimated economic lives as follows:

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years

The fair values of the Corporation and subsidiaries' investment properties as of June 30, 2020, December 31, 2019 and June 30, 2019 were $5,396,491 thousand, $5,580,160 thousand and $5,577,953 thousand, respectively.

The fair values of investment properties as of June 30, 2020, December 31, 2019 and June 30, 2019 were not assessed by an independent appraiser; instead, the fair values were based on an external valuation report as of the year 2017. After evaluating, the Corporation and subsidiaries determined that the fair values reported as at June 30, 2020, December 31, 2019 and June 30, 2019 were still valid, and the fair values of the investment properties were measured at Level 3 inputs. Sales comparison approach and income approach were used in the valuation report as of 2017. The sales comparison approach is based on the transaction and proposed prices of comparable properties which have been recently sold, while in the income approach, fair value is calculated by taking the net operating income of the rent collected and dividing it by the capitalization rate.

The Corporation and subsidiaries' investment properties are mainly leased buildings with lease terms of 1 to 10 years.

The maturity analysis of lease payments receivable under operating leases of investment properties as of June 30, 2020, December 31, 2019 and June 30, 2019 is as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Year 1	$ 105,573	$ 49,147	$ 111,412
Year 2	22,684	13,917	15,798
Year 3	22,679	3,930	8,234
Year 4	22,241	3,815	3,240
Year 5	13,331	3,240	3,240
Year 5 onwards	4,320	5,940	7,560
	$ 190,828	$ 79,989	$ 149,484

The investment properties on operating leases of the Corporation and subsidiaries are depreciated on a straight-line basis based over their estimated useful lives as follows:

	Estimated Useful Lives
Buildings and facilities	5-50 years

All of the investment properties are the Corporation and subsidiaries' own interest, and not pledged as collateral.

14. OTHER NON-CURRENT ASSETS

	June 30, 2020	December 31, 2019	June 30, 2019
Restricted assets	$ 152,815	$ 123,132	$ 124,322
Guarantee deposits paid	65,331	67,181	70,628
Computer software	4,719	7,157	8,704
Others	10,104	29,273	13,509
	$ 232,969	$ 226,743	$ 217,163

After the filing of a certain complaint against Morgan Stanley & Co. International PLC (Morgan Stanley) (Note 29), the Corporation could not access the following funds in connection with transactions made with Morgan Stanley because of its unauthorized disposition: Accounts receivable, deposits, cash security on CDS contracts and the related accrued revenue. Because of the inaccessibility of these funds, these financial assets reclassified as “restricted assets.”

15. OTHER PAYABLES

	June 30, 2020	December 31, 2019	June 30, 2019
Accrued expenses	$ 524,852	$ 759,264	$ 641,852
Others	34,227	79,348	33,195
	$ 559,079	$ 838,612	$ 675,047

16. PROVISIONS - NON-CURRENT

	June 30, 2020	December 31, 2019	June 30, 2019
Provisions for employee benefits	$ 140,801	$ 143,714	$ 145,923
Others	2,922	3,001	3,123
	$ 143,723	$ 146,715	$ 149,046

17. RETIREMENT BENEFIT PLANS

The Corporation and subsidiaries’ retirement plans consist of defined contribution and defined benefit plans. For defined benefit plan, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2019 and 2018, respectively.

For the six months ended June 30, 2020 and 2019, the Corporation and subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of $2,259 thousand and $1,751 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) $5,372 thousand and $6,720 thousand, respectively.

18. OTHER NON-CURRENT LIABILITIES

	June 30, 2020	December 31, 2019	June 30, 2019
Other financial liabilities	$ 367,774	$ 373,788	$ 385,676
Guarantee deposits received	35,530	36,131	31,978
Others	-	99,624	125,949
	$ 403,304	$ 509,543	$ 543,603

19. EQUITY

a. Capital

Common stock

	June 30, 2020	December 31, 2019	June 30, 2019
Number of shares authorized (in thousands)	9,266,851	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,041,116	2,041,116	2,041,116
Shares issued	$ 20,411,159	$ 20,411,159	$ 20,411,159

b. Capital surplus

	June 30, 2020	December 31, 2019	June 30, 2019
Arising from issuance of common shares	$ 477,409	$ 477,409	$ 477,409
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845	98,845
Arising from share of changes in capital surplus of associates	2,866	2,866	3,169
Share-based payments awards	11,269	11,269	10,660
Arising from donations	20	20	20
	$ 590,409	$ 590,409	$ 590,103

The premium from shares issued in excess of par (share premium from issuance of common shares, treasury share transactions, and excess of the 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 Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Corporation's capital surplus and once a year.

The capital surplus from investments under the equity method may not be used for any purpose.

c. Special reserve

Whenever the components of shareholder's equity which includes unrealized gains or losses on financial instruments and cumulative translation adjustment but not treasury stock have debit balances, a special reserve equal to the total debit balance should be appropriated from the current year's earnings and unappropriated earnings generated in the prior years. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

When transitioning to IFRSs, the Corporation and subsidiaries recognize or reserve special revenue, under Rule No. 1010012865 issued by the FSC on April 6, 2012 and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs."

d. Appropriation of earnings

To expand the Corporation’s operations and increase its profitability as well as to comply with the relevant regulations, the Corporation applied the residual dividend policy. In principle, the Corporation should pay dividends in the form of cash, and the portion of cash dividends should not be less than 10% of the total amount of dividends paid.

The current year’s earnings will be first used to settle all taxes payable as well as to cover accumulated deficit. The balance will then be used to appropriate legal reserve and special reserve and to reverse a special reserve in accordance with relevant laws and regulations and the Corporation’s Articles of Incorporation. The remainder together with the beginning balance of unappropriated earnings, the board of directors shall draw up the appropriation of earnings motion for the approval of shareholder’s meetings.

When the Corporation’s legal reserve equals its paid-in capital, the Corporation is no longer subject to the requirement for legal reserve appropriation.

The appropriation of earnings should be presented for approval at the shareholder’s meeting in the following year, and given effect to in the financial statements of the year following the year of earnings generation.

Under the Financial Holding Company Act, because the Corporation has only one shareholder, CDFH, the Company Act provisions on shareholder’s meetings do not apply to the Corporation and the board of directors is thus entitled to exercise shareholder’s meeting functions.

Appropriation of the 2019 and 2018 earnings were approved by the board of directors on behalf of the shareholder on April 27, 2020 and May 27, 2019, respectively; the amounts were as follows:

	2019	**2018**
Legal reserve	$ 222,681	$ -
Reversal of special reserve	-	272,284
Cash dividends (NT$0.98 and NT$2.11 per share)	2,004,126	4,314,007

On March 26, 2020, the Corporation’s board of directors approved on behalf of the shareholder’s meeting, the distribution of cash dividends of $2,000,000 thousand arising from legal reserve to shareholder in accordance with Article 241 of the Company Act. The above case of releasing cash from legal reserve is effective on July 6, 2020 through FSC approval and registration, and the releasing base date is on July 31, 2020.

On May 27, 2019, the Corporation’s board of directors approved on behalf of the shareholder’s meeting, the distribution of cash dividends of $3,000,000 thousand arising from legal reserve to shareholder in accordance with Article 241 of the Company Act.

Related information can be accessed through the Market Observation Post System (M.O.P.S.) on the Web site of the Taiwan Stock Exchange (http://emops.tse.com.tw).

20. GAIN (LOSS) ON FINANCIAL ASSETS MEASURED AT FVTPL

	For the Six Months Ended June 30	
	2020	2019
Stock	$ (476,468)	$ 1,249,922
Bond	(153,282)	10,901
Partnership Funds	(27,573)	853,299
Others	(47,807)	56,055
	$ (705,130)	$ 2,170,177

21. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2020	2019
Property and equipment	$ 12,708	$ 12,039
Right-of-use asset	25,203	23,259
Investment property	10,001	11,250
Other non-current assets	2,418	5,912
	$ 50,330	$ 52,460
An analysis of depreciation by function		
Operating expenses	$ 37,911	$ 35,298
Non-operating expenses	10,001	11,250
	$ 47,912	$ 46,548
An analysis of amortization by function		
Operating expenses	$ 2,418	$ 5,912

22. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2020	2019
Employee benefit expense		
Salaries and wages	$ 466,522	$ 523,579
Employee insurance	22,599	21,095
Pension	7,631	8,471
Others	16,327	40,815
	$ 513,079	$ 593,960
An analysis by function		
Operating expense	$ 513,079	$ 593,960

To comply with the Company Act, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved by the board of directors which was authorized to assume the function of the shareholder's meeting to distribute the compensation of employees at the rates no less than 1% of net profit before paying income tax and the compensation of employees. However, if the Corporation had incurred cumulative losses, the profit should be used to offset the losses. For the six months ended June 30, 2020 and 2019, the compensation of employees was $0 thousand and $25,530 thousand, respectively.

For the years ended December 31, 2019 and 2018, the compensation of employees was $22,000 thousand and $26,000 thousand approved by the board of directors on March 26, 2020 and March 25, 2019.

If there is a change in the proposed amounts after the annual consolidated financial statements were authorized for issue, the differences will be recorded as a change in accounting estimate.

There was no difference between the amounts recognized in the financial statements for the years ended December 31, 2019 and 2018.

Related information can be accessed through the Market Observation Post System (M.O.P.S.) on the Web site of the Taiwan Stock Exchange (http://mops.twse.com.tw/mops/web/index).

23. OTHER GAINS AND LOSSES

	For the Six Months Ended June 30	
	2020	**2019**
Rent revenue	$ 70,458	$ 71,186
Other revenue	4,288	9,283
Other loss	(10,229)	(11,501)
	$ 64,517	$ 68,968

24. INCOME TAX

a. Income tax benefit (expense)

	For the Six Months Ended June 30	
	2020	**2019**
Current income tax		
Current period	$ 33,202	$ (151,438)
Adjustments for prior year	(3,819)	39,202
	29,383	(112,236)
Deferred income tax	18,862	21,147
Income tax benefit (expense)	$ 48,245	$ (91,089)

b. The estimated receivables/payables resulting from the use of the linked-tax system on the Corporation's consolidated tax returns were as follows:

	June 30, 2020	December 31, 2019	June 30, 2019
Tax charged from the parent company	$ 264,051	$ 211,214	$ 317,267
Tax paid to the parent company	$ 519,807	$ 515,983	$ 525,542

c. Income tax assessments

The Corporation used the linked-tax system in the filing of the income tax and unappropriated earnings returns of its parent company and eligible subsidiaries.

The Corporation's income tax returns through 2014 had been examined by the tax authorities.

Income tax returns of CDIB Capital Management Corp. through 2018 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation through for the year 2018 and 2016, had been examined by the tax authorities.

25. EARNINGS (LOSSES) PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	Earnings (Losses) Per Share (In Dollars)
For the six months ended June 30, 2020			
Net loss attributable to shareholder of parent company	$ (1,461,867)	2,041,116	$ (0.72)
For the six months ended June 30, 2019			
Net profit attributable to shareholder of parent company	$ 2,510,962	2,041,116	$ 1.23

26. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. and subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company

(Continued)

Related Party	Relationship with the Corporation and Subsidiaries
China Development Asset Management Corp.	Subsidiary of the parent company
CDIB Capital Asia Partners L.P.	Associate
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate
CDIB Partners Investment Holding Corp.	Associate
CDIB Capital Growth Partners L.P.	Associate
CDIB Capital Global Opportunities Fund L.P.	Associate
Others	Other related parties

(Concluded)

a. Cash in bank (recognized as cash and cash equivalents and other current assets)

	Amount	%
June 30, 2020		
KGI Commercial Bank Co., Ltd.	$ 6,427,225	62
Subsidiary of the parent company	944	-
December 31, 2019		
KGI Commercial Bank Co., Ltd.	6,097,400	49
Subsidiary of the parent company	26,412	-
June 30, 2019		
KGI Commercial Bank Co., Ltd.	657,560	7
Subsidiary of the parent company	40,527	-

For the six months ended June 30, 2020 and 2019, the interest revenues from cash in bank were $17,893 thousand and $18,872 thousand, respectively.

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

	Amount	%
June 30, 2020		
KGI Securities Co., Ltd. and subsidiaries	$ 282,394	100
December 31, 2019		
KGI Securities Co., Ltd. and subsidiaries	281,737	100
June 30, 2019		
KGI Securities Co., Ltd. and subsidiaries	280,988	100

c. Accrued incomes (recognized as other receivables)

	Amount	%
June 30, 2020		
CDIB Partners Investment Holding Corp.	$ 125,280	16
CDIB Capital Asia Partners L.P.	82,801	11
Associate	38,092	5
Other related parties	8,258	1
December 31, 2019		
Associate	49,829	7
Other related parties	32,631	5
June 30, 2020		
Associate	299,770	15
Other related parties	131	-

d. Receivables from securities sold (recognized as other receivables)

	Amount	%
June 30, 2020		
Subsidiary of the parent company	$ 9,585	1
December 31, 2019		
Subsidiary of the parent company	46,281	6

e. Other receivables - others

	Amount	%
June 30, 2020		
Associate	$ 21,900	3
December 31, 2019		
Associate	25,744	4
June 30, 2019		
Associate	52,798	3

f. Receivables from parent (recognized as current tax assets)

	June 30, 2020		December 31, 2019		June 30, 2019	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 264,051	98	$ 211,214	79	$ 317,267	98

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

g. Payables to parent (recognized as current tax liabilities)

	June 30, 2020		December 31, 2019		June 30, 2019	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 519,807	80	$ 515,983	77	$ 525,542	75

The payables resulted from CDFH and its eligible subsidiaries adopting the linked-tax system in the tiling of tax returns since 2003.

h. Advance receipts (recognized as other current liabilities)

	Amount	**%**
June 30, 2020		
CDIB Yida Healthcare Private Equity (Limited Partnership)	$ 56,751	30
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	45,760	24
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	32,927	18
CDIB Capital Growth Partners L.P.	30,551	16
Subsidiary of the parent company	7,050	4
Associate	534	-
December 31, 2019		
KGI Commercial Bank Co., Ltd.	12,104	11
CDIB Capital Growth Partners L.P.	30,412	28
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	20,906	19
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	31,347	29
Subsidiary of the parent company	299	-
Associate	534	-
June 30, 2019		
Subsidiary of the parent company	12,403	6
Associate	534	-

i. Guarantee deposits received (recognized as other non-current liabilities)

	Amount	%
June 30, 2020		
Parent company	$ 7,475	2
Subsidiary of the parent company	22,764	6
Associate	1,603	-
Other related parties	311	-
December 31, 2019		
Parent company	4,104	1
Subsidiary of the parent company	23,549	5
Associate	1,603	-
Other related parties	311	-
June 30, 2019		
Parent company	4,104	1
Subsidiary of the parent company	23,549	4
Associate	1,603	-
Other related parties	311	-

j. Consulting service revenues

	Amount	%
For the six months ended June 30, 2020		
CDIB Capital Asia Partners L.P.	$ 76,731	25
CDIB Capital Growth Partners L.P.	43,102	14
CDIB Capital Global Opportunities Fund L.P.	38,465	13
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	34,580	11
Subsidiary of the parent company	9,121	3
Associate	53,847	18
Other related parties	28,490	9
For the six months ended June 30, 2019		
CDIB Capital Asia Partners L.P.	112,183	34
CDIB Capital Growth Partners L.P.	43,032	13
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	42,029	13
CDIB Capital Global Opportunities Fund L.P.	36,104	11
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	31,972	10
Subsidiary of the parent company	9,415	3
Other related parties	35,150	11

k. Rental revenue (recognized as non-operating income and expenses)

	Amount	%
For the six months ended June 30, 2020		
KGI Commercial Bank Co., Ltd.	$ 44,478	62
Parent company	15,684	22
Subsidiary of the parent company	1,835	3
Other related parties	3,828	5
For the six months ended June 30, 2019		
KGI Commercial Bank Co., Ltd.	45,198	63
Parent company	16,418	23
Subsidiary of the parent company	1,835	3
Other related parties	3,828	5

The rent was based on market prices and receivable quarterly.

l. Donation (recognized as operating expense)

	Amount	%
For the six months ended June 30, 2020		
Other related parties	$ 16,250	2
For the six months ended June 30, 2019		
Other related parties	10,000	1

m. Non-maturity derivative financial instrument

June 30, 2020

Related Party	Derivative Financial Instrument Contract Name	Contract Period	Notional Amount	Current Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiary of the parent company	Cross-currency swap contract	2020/03/12-2022/05/26	$ 558,823	$ (3,560)	Financial liabilities at FVTPL	$ 3,515

n. Compensation of key management personnel

	For the Six Months Ended June 30	
	2020	2019
Salary and short-term benefits	$ 75,907	$ 87,604
Post-employment benefits	690	548
Share-based payment	-	551
	$ 76,597	$ 88,703

27. CAPITAL RISK MANAGEMENT

The main objective of the Corporation and subsidiaries in capital management is to maintain a healthy credit rating and financial structure to support the Corporation’s operation and maximize shareholder’s interests. The Corporation and subsidiaries will manage and adjust the capital structure based on the economic situation, possibly by adjusting business scale of investments in principal investment and dividends, and issuing or repurchasing new shares.

28. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

a) Level 1 fair values are quoted prices in active markets for financial instruments.

b) 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 and volatility rates, which are derived from or can be corroborated with observable market data.

c) Level 3 refers to inputs that are not based on observable market data.

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

June 30, 2020

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 2,375,850	$ 111,500	$ 6,512,911	$ 9,000,261
Partnership fund	-	-	4,475,873	4,475,873
Open-end funds	282,394	-	-	282,394
Others	-	-	649,947	649,947
Financial assets designated as at FVTPL	-	-	1,556,078	1,556,078
Financial assets at FVTOCI				
Bond	-	108,812	-	108,812
Derivative financial instruments				
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	3,515	3,515

December 31, 2019

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 2,657,865	$ 52,410	$ 6,651,785	$ 9,362,060
Partnership fund	-	-	5,309,881	5,309,881
Open-end funds	281,737	-	-	281,737
Others	-	-	798,319	798,319
Financial assets designated as at FVTPL	-	-	1,580,146	1,580,146
Financial assets at FVTOCI				
Bond	-	108,687	-	108,687

June 30, 2019

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 3,027,783	$ 949,670	$ 6,751,184	$ 10,728,637
Partnership fund	-	-	6,719,197	6,719,197
Open-end funds	280,988	-	-	280,988
Others	-	-	782,352	782,352
Financial assets designated as at FVTPL	-	-	905,020	905,020
Financial assets at FVTOCI				
Bond	-	159,061	-	159,061

3) Financial instruments measured at fair value

For financial assets 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 Corporation and subsidiaries' various financial instruments are not readily available, fair values are estimated by using appropriate valuation models or other banks' transaction prices. The information the Corporation and subsidiaries use for fair value estimation is consistent with that generally used in the market.

4) Transfers between financial instrument hierarchy between Level 1 and Level 2

There is no transfer of financial instrument hierarchy between Level 1 and Level 2 for the six months ended June 30, 2020.

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, 2020

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 12,759,985	$ (837,660)	$ 664,269	$ -	$ 880,458	$ 67,405	$ 11,638,731
Financial assets designated as at FVTPL	1,580,146	(52,245)	28,177	-	-	-	1,556,078

For the Six Months Ended June 30, 2019

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 14,851,987	$ 1,690,206	$ 1,865,174	$ -	$ 3,285,763	$ 868,871	$ 14,252,733
Financial assets designated as at FVTPL	574,064	55,422	275,534	-	-	-	905,020

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

For the Six Months Ended June 30, 2020

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial liabilities at FVTPL							
Held for trading	$ -	$ 3,515	$ -	$ -	$ -	$ -	$ 3,515

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

The total gains or losses for the six months ended June 30, 2020 and 2019 included losses of $314,006 thousand and gains of $309,691 thousand relating to assets measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

The total gains or losses for the six months ended June 30, 2020 included losses of $3,515 thousand related to 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)

Quantitative information on Level 3 security investments of the Corporation and its subsidiaries was as follows:

	Fair Value at June 30, 2020	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	$ 13,194,809	Market approach	P/B P/S Lack of liquidity discount	0.69-4.93 0.39-2.36 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 6.36%-14.76% 0.50%-7.00%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount	11%-29%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	31.31%-34.92%	When the higher returns on stock value volatility, the higher of fair value.
		Recent transaction price	-	-	-

	Fair Value at December 31, 2019	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	$ 14,340,132	Market approach	P/B P/S Lack of liquidity discount	0.68-2.61 0.43-5.56 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 9.97%-13.58% 4.50%-7.00%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount	11%-29%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	32.21%-33.65%	When the higher returns on stock value volatility, the higher of fair value.
		Recent transaction price	-	-	-

	Fair Value at June 30, 2019	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	$ 15,157,753	Market approach	P/B P/S Lack of liquidity discount	0.68-2.51 0.46-5.19 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 10.53%-17.50% 3.25%-7.00%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount	11%-29%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	31.84%-35.10%	When the higher returns on stock value volatility, the higher of fair value.
		Recent transaction price	-	-	-

7) Pricing process of level 3 fair value

The Corporation and subsidiaries' pricing models and condition assumptions conform to those generally used in the market and are commonly recognized by the industry as bases for measuring fair value. Further, the Corporation and subsidiaries verifies whether the sources of the information are independent or whether the information itself reasonably reflects prices in normal circumstances, and also examines and adjusts fair value periodically to insure that valuation results are reasonable.

The Corporation and subsidiaries' pricing models and condition assumptions have been considered the influences of COVID-19, including the inflections of investee's operating conditions in the future, which decrease the forecast number of revenue and profit.

b. Financial instruments not carried at fair value

1) Fair value information of financial instrument

Except for financial assets measured at amortized cost, the carrying amounts of the financial instruments not measured at fair value are approximate to their fair value; thus, their fair values are not disclosed.

2) Fair value hierarchy of financial instruments

June 30, 2020

	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at amortized cost	$ -	$ 562,831	$ -	$ 562,831

3) Valuation techniques

The fair value of the financial assets measured at amortized cost is estimated by referring to the discounted expected cash flow, of which the discount rate is reference to interest rates with similar maturity date.

c. Categories of financial instruments

	June 30, 2020	December 31, 2019	June 30, 2019
Financial assets			
Fair value through profit or loss (FVTPL)			
Financial assets mandatorily classified as at FVTPL	$ 14,408,475	$ 15,751,997	$ 18,511,174
Designated as at FVTPL	1,556,078	1,580,146	905,020
	$ 15,964,553	$ 17,332,143	$ 19,416,194
Amortized cost			
Cash and cash equivalent	$ 10,105,456	$ 12,400,992	$ 9,246,728
Other receivables	786,673	723,911	2,018,743
Financial assets at amortized cost	531,578	-	-
Others	65,331	67,181	70,628
	$ 11,489,038	$ 13,192,084	$ 11,336,099
Fair value through other comprehensive income			
Debt investments	$ 108,812	$ 108,687	$ 159,061
Financial liabilities			
Fair value through profit or loss (FVTPL)			
Financial liabilities held for trading	$ 3,515	$ -	$ -
Amortized cost			
Other payables	$ 559,079	$ 838,612	$ 675,047
Lease liabilities	84,354	109,943	132,733
Others	403,304	409,919	417,654
	$ 1,046,737	$ 1,358,474	$ 1,225,434

d. Risk management policies and objective

The Corporation 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.

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

1) 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 financial assets held for trading. Market risk as explained as follows:

a) Foreign currency rate risk information

The financial assets and liabilities denominated in foreign currency and with material influence on the Corporation and subsidiaries were as follows:

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2020		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 159,488	29.660	$ 4,730,415
CNY	255,725	4.195	1,072,666
KRW	23,672,905	0.025	584,224
HKD	33,491	3.827	128,172
JPY	414,683	0.275	114,162
Nonmonetary items			
USD	330,953	29.660	9,816,075
CNY	209,482	4.195	878,691
THB	163,284	0.961	156,916
KRW	4,495,889	0.025	110,954
Investment accounted for using the equity method			
CNY	607,356	4.195	2,547,858
USD	79,674	29.660	2,363,134
Financial liabilities			
Monetary items			
USD	14,400	29.660	427,116

	December 31, 2019		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 151,924	30.106	$ 4,573,833
CNY	218,454	4.323	944,375
HKD	81,115	3.866	313,592
JPY	414,683	0.277	114,909
Nonmonetary items			
USD	354,215	30.106	10,664,003
CNY	89,591	4.323	387,301
THB	159,162	1.010	160,753
KRW	3,851,200	0.026	100,393
Investment accounted for using the equity method			
USD	94,240	30.106	2,837,176
CNY	660,890	4.323	2,857,026
<u>Financial liabilities</u>			
Monetary items			
USD	15,869	30.106	477,763

	June 30, 2019		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
Monetary items			
USD	$ 201,459	31.072	$ 6,259,733
HKD	255,697	3.979	1,017,420
CNY	219,012	4.523	990,636
KRW	7,185,036	0.027	193,328
JPY	414,683	0.289	119,719
Nonmonetary items			
USD	381,605	31.072	11,857,232
THB	157,735	1.012	159,628
Investment accounted for using the equity method			
USD	104,441	31.072	3,245,176
CNY	675,210	4.523	3,054,112
<u>Financial liabilities</u>			
Monetary items			
USD	14,436	31.072	448,557

Sensitivity analysis

The following table details the Corporation and 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 adjusts their translation 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, and the balances below would be negative.

	Impact to Profit or Loss	
	For the Six Months Ended June 30	
	2020	**2019**
Monetary items		
USD	$ 43,033	$ 58,112
CNY	10,483	9,740
KRW	5,840	1,904
JPY	1,142	1,197
HKD	1,057	9,900

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of June 30, 2020, December 31, 2019 and June 30, 2019 were cash in banks. Management believes that interest rate changes would have been no significant effect on the Corporation and subsidiaries.

c) Other price risk

The Corporation and subsidiaries were exposed to equity price risk through its investments in principal investment business. The Corporation 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, 2020 and 2019 would increase/decrease by $150,322 thousand and $183,529 thousand, as a result of the changes in fair value of financial assets at fair value through profit or loss.

2) Credit risk

The Corporation and subsidiaries are exposed to credit risk due to default on contracts by borrowers, debtors or counter-parties and changes in credit quality. The maximum exposure to credit risk is equal to the book value.

The Corporation and subsidiaries have all kinds of financial instruments of which the maximum exposure to credit risk is equal to the book value.

3) Liquidity risk

The management of liquidity risk is aimed to deal with financing the Corporation's operations and mitigate the effects of fluctuations in cash flows by monitoring and maintaining a level of cash and cash equivalents.

The Corporation’s management policies of liquidity risk are as follows:

a) Dispose of surplus capital should consider possible future capital requirements, de-concentration of capital sources and reasonable liquidity of liability structure.

b) Pursuant to liquidity risk control, the Corporation use performance index of financial structure and dispatching of funds to set up a system to monitor daily funding gap.

As of June 30, 2020, December 31, 2019 and June 30, 2019, other financial liabilities are $367,774 thousand, $373,788 thousand and $385,676 thousand, respectively, and will be paid by financial assets and the rest of non-derivative financial liabilities are $679,208 thousand, $985,757 thousand and $841,585 thousand, respectively, and are mainly all current liabilities.

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

Commitments and contingencies of the Corporation and subsidiaries, except for those disclosed in other Notes were summarized as follows:

a. In April 2007, the Corporation and Morgan Stanley entered into a CDS contract that was tied to a synthetic collateralized debt obligation on residential mortgage-backed securities. The representations made to the Corporation by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant losses to the Corporation. On July 15, 2010, the Corporation initiated action against Morgan Stanley & Co. International PLC (“Morgan Stanley”) et al. to recover losses the Corporation suffered as a result of its investment in a Morgan Stanley’s credit default swap (CDS) product that had been tied to a synthetic collateralized debt obligation on residential mortgage-backed securities; the representations made to the Corporation by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant financial losses to the Corporation. As of June 30, 2010, the underlying asset pools on the CDS had been liquidated, and the Corporation had recognized all gains and losses from the transaction. The balance of US$11,978 thousand (NT$367,774 thousand based on the exchange rate of June 30, 2020) was reclassified to “other financial liabilities”. The litigation had not yet been concluded as of June 30, 2020. In addition, Morgan Stanley overlooked the Corporation’s efforts and terminated interest rate swap (IRS) contracts (nominal principal amount: KRW24,000,000 thousand) and CDS contracts (nominal principal amount: JPY586,510 thousand) in August 2010, the Corporation reserves the right of legal proceedings.

b. Securities and Futures Investors Protection Center sued CDIB Capital Management Corporation and claimed that due to the fact that CDIB Capital Management Corporation is the corporate director of Powercom Ltd., CDIB Capital Management Corporation have but not performed sufficient audits on the contents disclosed in the financial statements which failed to comply the obligation of being a good administrator. Therefore, the plaintiff demanded compensation of $592,648 thousand and related interests from CDIB Capital Management Corporation and Powercom Ltd. On November 29, 2019, the Taipei District Court judged that CDIB Capital Management Corporation had lost part of the lawsuit, CDIB Capital Management Corporation and its assigned representative should pay not only total of $31,010 thousand but also interest calculated by the annual interest rate of 5% from November 13, 2013 to the date of settlement, respectively. CDIB Capital Management Corporation had appealed on January 9, 2020. CDIB Capital Management Corporation could not estimate the related possible loss because the case was currently reviewing by the High Court and the final outcome of the court is uncertain.

30. ADDITIONAL DISCLOSURES

a. and b. following are the additional disclosures required for the Corporation and subsidiaries:

1) Financing provided: For the Corporation and subsidiaries' information: None.

2) Collaterals/guarantees provided: For the Corporation and subsidiaries' information: None.

3) Marketable securities held: Please refer to Table 1 (attached).

4) Marketable securities acquired or disposed of, at cost or prices of at least NT$300 million or 20% of the issued capital (subsidiaries acquired and disposed of marketable securities, at cost or price of at least NT$300 million or 20% of the issued capital): Please refer to Table 2 (attached).

5) Acquisition of individual real estate at cost of at least NT$300 million or 20% of the issued capital: For the Corporation and subsidiaries' information: None.

6) Disposal of individual real estate at price of at least NT$300 million or 20% of the issued capital: For the Corporation and subsidiaries' information: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: For the Corporation and subsidiaries' information: None.

8) Receivables from related parties amounting to NT$100 million or 20% of the issued capital: Please refer to Note 26 to the consolidated financial statements and Table 3 (attached).

9) Derivative transactions: Please refer to Note 8 and Note 28 to the consolidated financial statements.

10) Information on investees: Please refer to Table 4 (attached).

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Please refer to Table 5 (attached).

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: For the Corporation and subsidiaries' information: None.

d. Intercompany relationships and significant intercompany transactions: Please refer to Table 7 (attached).

31. SEGMENT INFORMATION

The Corporation and subsidiaries' main operations include securities investment, investment and transactions in financial instruments linked to the equity securities, and management of private equity fund, the chief operating decision-maker designs the capital allocation from overall corporation perspective, so the corporation and subsidiaries are considered a single operating segment.

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Stocks							
	Logitech Inc.	-	Financial assets at fair value through profit or loss	3,261,773	$ 29,412	10.69	$ 29,412	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	10,111	10.83	10,111	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	78,096	6.04	78,096	
	Hair O'right International Corp.	-	Financial assets at fair value through profit or loss	1,735,837	124,980	8.53	124,980	
	DaBomb Protein Corp.	-	Financial assets at fair value through profit or loss	2,400,568	48,491	8.18	48,491	
	Power Venture Co.	-	Financial assets at fair value through profit or loss	677,245	5,295	5.68	5,295	
	Ori Vita Bio Application Inc.	-	Financial assets at fair value through profit or loss	858,690	7,038	0.42	7,038	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,000,000	36,106	9.91	36,106	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	46,808	13.96	46,808	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	12,316,000	135,353	4.24	135,353	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	11,535	1.95	11,535	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	47,242	8.40	47,242	
	Mec Imex Inc.	-	Financial assets at fair value through profit or loss	4,802,000	54,718	10.52	54,718	
	Yieh United Steel Corp.	-	Financial assets at fair value through profit or loss	5,991,622	30,497	0.23	30,497	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	1,300,403	10,395	6.45	10,395	
	AMIA Co.	-	Financial assets at fair value through profit or loss	6,000,000	118,920	9.54	118,920	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	57,783	6.85	57,783	
	PlexBio Co., Ltd.	-	Financial assets at fair value through profit or loss	316,000	27,366	0.31	27,366	
	Riselink Restructuring Fund Corporation	-	Financial assets at fair value through profit or loss	986,905	13,627	12.50	13,627	
	Orient Pharma Co., Ltd.	-	Financial assets at fair value through profit or loss	2,260,800	50,032	1.45	50,032	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	7,567,424	89,596	5.64	89,596	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	31,182	6.47	31,182	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	1,913,107	185,189	1.91	185,189	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	82,593	5.27	82,593	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	13,847	1.38	13,847	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,743,026	76,530	4.43	76,530	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	29,354	4.77	29,354	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	2,544,195	28,111	5.28	28,111	
	Terawins, Inc.	-	Financial assets at fair value through profit or loss	1,913,996	8,190	6.30	8,190	
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss	255,822	6,370	0.85	6,370	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through profit or loss	2,731,098	23,250	10.57	23,250	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	13,339	10.43	13,339	
	Overseas Investment & Development Corp.	-	Financial assets at fair value through profit or loss	2,600,000	8,738	2.89	8,738	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	33,114	7.95	33,114	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	102,839	4.81	102,839	
	JHL. Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	158,302	3.55	158,302	
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	156,916	12.00	156,916	
	Chime Biologicis Limited	-	Financial assets at fair value through profit or loss	8,382,844	153,455	3.55	153,455	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	192,949	8.02	192,949	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	3,675,000	18,455	0.14	18,455	
	Lightel Technologies, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	3,000,000	84,876	43.44	84,876	
	Apexigen, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	4,970,588	228,475	12.68	228,475	
The Corporation	Fund							
	Samara Capital Partners Fund I Limited	-	Financial assets at fair value through profit or loss	-	49,843	-	49,843	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	50,454	-	50,454	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Government bonds							
	A00109	-	Financial assets at fair value through other comprehensive income	7,000,000	$ 7,091	-	$ 7,091	
	A01105	-	Financial assets at fair value through other comprehensive income	100,000,000	101,721	-	101,721	
CDIB Capital Management Inc.	Stocks							
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	65,660	5,844	0.05	5,844	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	783,000	9,270	0.58	9,270	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,846	1.44	1,846	
	Fund							
	KGI Victory Money Market Securities Investment Trust Fund	Managed by KGI Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	-	80,751	-	80,751	
CDIB Venture Capital Corporation	Stocks							
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	386,659	7,145	0.55	7,145	
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	16,495	0.00	16,495	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	4,513	1.24	4,513	
	Hotai Finance Corporation	-	Financial assets at fair value through profit or loss	1,297,000	105,835	0.25	105,835	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	170,983	4.68	170,983	
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,809,000	81,461	2.43	81,461	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	50,000	1.53	50,000	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	1,101,000	34,076	2.87	34,076	
	Happyfan7 Corp.	-	Financial assets at fair value through profit or loss	833,318	131,223	8.33	131,223	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	3,114,000	295,519	0.53	295,519	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	788,000	128,444	0.60	128,444	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	3,238,763	9,152	12.78	9,152	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	5,459,702	369,076	16.06	369,076	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,725,007	64,815	4.14	64,815	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,528,901	154,256	8.92	154,256	
	Greatland Electronics Taiwan Ltd.	-	Financial assets at fair value through profit or loss	1,920,000	11,017	5.50	11,017	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	102,839	4.81	102,839	
	Cvie Therapeutics Company Limited	-	Financial assets at fair value through profit or loss	560,000	23,969	4.15	23,969	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	5,793	1.85	5,793	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	30,911	1.03	30,911	
	i-Serve	-	Financial assets at fair value through profit or loss	2,232,219	130,122	4.17	130,122	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	83,415	10.23	83,415	
	Windtree Therapeutic, Inc.	-	Financial assets at fair value through profit or loss	198,184	41,147	1.45	41,147	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	5,105,377	25,638	0.20	25,638	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	11,167,513	112,485	40.74	112,485	
	4Gamers Entertainment Inc. - preferred stock	-	Financial assets at fair value through profit or loss	24,000	15,660	20.00	15,660	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	9,043	8.20	9,043	
	Citiesocial Holding Cayman Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	479,635	14,830	18.18	14,830	
	Umbo CV Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,394,145	20,762	10.29	20,762	
	CCMODA Corp. - preferred stock	-	Financial assets at fair value through profit or loss	1,250,000	11,957	20.00	11,957	
	Asia Parents Holdings Limited	-	Financial assets at fair value through profit or loss	248,889	16,610	14.74	16,610	
	Kneron Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,391,752	184,932	9.00	184,932	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock	-	Financial assets at fair value through profit or loss	4,559,686	88,980	26.09	88,980	
	Cloud Mile Inc. - preferred stock	-	Financial assets at fair value through profit or loss	502,934	17,796	10.00	17,796	
	Zentera Systems, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	67,315	39.35	67,315	
	FUNP Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	400,000	42,710	20.00	42,710	
	Achieve Made International Limited - preferred stock A	-	Financial assets at fair value through profit or loss	168,138	13,050	6.67	13,050	
	Viscovery (Cayman) Holding Company Limited - preferred stock A	-	Financial assets at fair value through profit or loss	200,000	5,932	10.96	5,932	
	CCMODA Corp. - preferred stock A	-	Financial assets at fair value through profit or loss	465,116	4,449	9.06	4,449	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB Venture Capital Corporation	FunNow Ltd. - preferred stock A	-	Financial assets at fair value through profit or loss	185,184	$ 33,107	20.00	$ 33,107	
	4Gamers Entertainment Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,695	4.80	5,695	
	Kkday.com International Company Limited - preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	58,264	8.66	58,264	
	Traveler Co., Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	32,077	23,728	10.85	23,728	
	Fractyl Laboratories, Inc.- preferred stock E	-	Financial assets at fair value through profit or loss	1,305,574	166,096	12.51	166,096	
	Achieve Made International Limited - preferred stock E	-	Financial assets at fair value through profit or loss	336,276	26,101	10.00	26,101	
	<u>Fund</u>							
	KGI Victory Money Market Securities Investment Trust Fund	Managed by KGI Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	-	201,643	-	201,643	
	<u>Corporate bond</u>							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	-	40,839	-	40,839	
	<u>Convertible (exchange) corporate bond</u>							
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	-	8,898	-	8,898	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	-	47,456	-	47,456	
	FunNow Ltd.	-	Financial assets at fair value through profit or loss	-	11,864	-	11,864	
CDIB Capital Investment I Limited	<u>Stocks</u>							
	Best Inc.	-	Financial assets at fair value through profit or loss	1,500,000	US$ 6,420	0.38	US$ 6,420	
	Casper Sleep, Inc.	-	Financial assets at fair value through profit or loss	266,690	US$ 2,273	2.63	US$ 2,273	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US$ 49	0.03	US$ 49	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 2,364	11.11	US$ 2,364	
	Mestay Cayman Islands Limited - preferred stock	-	Financial assets at fair value through profit or loss	13,722,047	US$ 1,137	3.40	US$ 1,137	
	Giddy Inc. - preferred stock	-	Financial assets at fair value through profit or loss	666,755	US$ 7,287	6.26	US$ 7,287	
	Great Team Backend Foundry Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,107,165	US$ 559	1.22	US$ 559	
	Rokid Corporation Ltd - preferred stock	-	Financial assets at fair value through profit or loss	615,642	US$ 5,000	1.51	US$ 5,000	
	K Health, Inc.- preferred stock C	-	Financial assets at fair value through profit or loss	496,376	US$ 5,000	1.84	US$ 5,000	
	Viking 3 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US$ 18,534	100.00	US$ 18,534	
	<u>Fund</u>							
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US$ 132	-	US$ 132	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 10,923	-	US$ 10,923	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US$ 30,479	-	US$ 30,479	
	Ripley Cable Holdings I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 962	-	US$ 962	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 346	-	US$ 346	
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 10,644	-	US$ 10,644	
	<u>Corporate bond</u>							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	41,875,000	US$ 6,770	-	US$ 6,770	
	<u>Convertible (exchange) corporate bond</u>							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	28,094,510	US$ 10,466	-	US$ 10,466	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US$ 1,000	-	US$ 1,000	
SCBS 1 Holding Corporation	<u>Stocks</u>							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$ 2,516	2.91	US$ 2,516	
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$ 1,968	2.46	US$ 1,968	
	Techmate Korea Daebu Co., Ltd.	-	Financial assets at fair value through profit or loss	45,600	US$ 1,773	10.00	US$ 1,773	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US$ 6,949	2.88	US$ 6,949	
	Indostar Everstone - preferred stock	-	Financial assets at fair value through profit or loss	860,332	US$ 9,419	8.12	US$ 9,419	
	<u>Corporate bond</u>							
	Techmate Korea Daebu Co., Ltd.	-	Amortised cost financial assets	22,497,515,793	US$ 17,922	-	US$ 18,976	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2020				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB Global Markets Limited	Stocks							
	Flemingo International (BVI) Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	1,048	US$ 39,895	50.19	US$ 39,895	
	Fund							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$ 8,375	-	US$ 8,375	
	CX Partners Fund Alpha Limited	-	Financial assets at fair value through profit or loss	-	US$ 2,911	-	US$ 2,911	
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,053	-	US$ 1,053	
	Riverwood Capital Partners L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,957	-	US$ 3,957	
	ECP II (Cayman) Ltd. A	-	Financial assets at fair value through profit or loss	-	US$ 4,338	-	US$ 4,338	
	Sino-Century China Private Equity II L. P.	-	Financial assets at fair value through profit or loss	-	US$ 140	-	US$ 140	
	KKR Asian Fund II L.P.	-	Financial assets at fair value through profit or loss	-	US$ 6,479	-	US$ 6,479	
	Carlyle Asia Partners IV, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 13,849	-	US$ 13,849	
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 81	-	US$ 81	
	Tenaya Capital V, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,968	-	US$ 1,968	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	US$ 851	-	US$ 851	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 823	-	US$ 823	
	Industry Ventures Fund VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,627	-	US$ 1,627	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,332	-	US$ 4,332	
	Tenaya Capital VI, LP	-	Financial assets at fair value through profit or loss	-	US$ 6,384	-	US$ 6,384	
	Formation8 Partners Fund I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 8,225	-	US$ 8,225	
	Blue Point Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 5,561	-	US$ 5,561	
	Riverwood Capital Partners II L.P.	-	Financial assets at fair value through profit or loss	-	US$ 21,823	-	US$ 21,823	
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,260	-	US$ 1,260	

Note 1: The ratio of preferred shares is calculated by dividing the number of preferred shares held by the preferred shares outstanding.

Note 2: No securities were treated as collaterals or warrants.

(Concluded)

TABLE 2

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
(THE CORPORATION'S SUBSIDIARIES AMOUNTING TO NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL)
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Face Value/Units	Amount
CDIB Capital Investment II Limited	Corporate bond Techmate Korea Daebu Co., Ltd.	Amortised cost financial assets	-	-	-	$ -	22,497,515,793	US$ 17,922 (Note)	-	$ -	$ -	$ -	22,497,515,793	US$ 17,922

Note: Acquisition cost US$18,618 thousand, payment of previous interest US$140 thousand, adjustment of discount and premium amortization US$2 thousand, loss on exchange US$87 thousand and accumulated impairment loss US$467 thousand.

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2020
(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 Corporation	China Development Financial Holding Corp.	Parent company	$ 264,051 (Note)	-	$ -	-	$ -	$ -
	CDIB Partners Investment Holding Corp.	Associate	125,280	-	-	-	125,280	-

Note: Tax receivable result from linked-tax system.

TABLE 4

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2020			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2020	December 31, 2019	Shares (In Thousands)	%	Carrying Amount			
The Corporation	CDIB Venture Capital Corporation	Taiwan	Venture fund	$ 8,036,942	$ 8,036,942	1,022,791	100.00	$ 9,519,297 (Note 1)	$ (391,859)	$ (391,859)	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	580,317 (Note 1)	31,354	31,354	Subsidiary
	CDIB Global Markets Limited	Malaysia	Investment	3,035,254	3,035,254	339	100.00	6,133,972 (Note 1)	US$ (11,102)	(333,509)	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	7,084,454 (Note 1)	US$ (28,086)	(843,710)	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,292,390 (Note 1)	US$ 5,444	163,526	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Private equity advisory services	156,951	156,951	4,700	100.00	661,688 (Note 1)	US$ 235	7,057	Subsidiary
	CDIB Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,565,070	(277,127)	(79,882)	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	582,500	582,500	58,250	33.29	602,807	168,317	56,026	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	426,800	504,400	42,680	38.80	403,086	(84,664)	(32,849)	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	32,057	(479)	(67)	Associates
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	3,769	US$ (8)	(19)	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	300,000	30,000	35.71	313,010	(17,222)	Not applicable	Associates
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	4,027,704	4,027,704	1,010,000	100.00	3,450,855 (Note 1)	HK$ (29,733)	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	597,019	569,944	-	-	628,260	(71,281)	Not applicable	Associates
	Kuo Heng Investment Holding Corp.	Taiwan	Accommodation and food service activities	50,000	50,000	5,000	38.46	49,596	163	Not applicable	Associates
CDIB Capital Management Inc.	CDIB Private Equity (Hong Kong) Corporation Limited	Hong Kong	Management and consulting	204,486	204,486	51,900	100.00	317,956 (Note 1)	HK$ 4,183	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management and consulting	12,000	12,000	1,200	60.00	14,558 (Note 1)	3,106	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	17,500	17,500	1,750	1.00	18,110	168,317	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	11,000	13,000	1,100	1.00	10,389	(84,664)	Not applicable	Associates
	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	24,102	23,000	-	-	25,561	(71,281)	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 99,785	US$ 100,373	-	-	US$ 76,285	US$ (71,264)	Not applicable	Associates
	CDIB Capital Global Opportunities Fund L.P.	Cayman Islands	Venture fund	US$ 6,199	US$ 6,199	-	-	US$ 7,479	US$ (3,362)	Not applicable	Associates
	SCBS 1 Holding Corporation	United States of America	Investment Holdings	US$ 3,578	US$ 3,578	4	100.00	US$ 2,665 (Note 1)	US$ (293)	Not applicable	Subsidiary
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Private equity advisory services	US$ 2,059	US$ 2,059	15,400	100.00	US$ 5,005 (Note 1)	HK$ 1,766	Not applicable	Subsidiary
	CDIB Capital International (Korea) Corporation	Korea	Private equity advisory services	US$ 1,932	US$ 1,932	558	100.00	US$ 1,789 (Note 1)	KRW (452,974)	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Private equity advisory services	US$ 1,166	US$ 1,166	8,000	100.00	US$ 2,419 (Note 1)	US$ 183	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Private equity advisory services	US$ 150	US$ 150	-	100.00	US$ 50 (Note 1)	US$ (10)	Not applicable	Subsidiary
	CDIB Capital Intelligence Partners Limited (Note 2)	Cayman Islands	Private equity advisory services	-	-	-	100.00	-	-	Not applicable	Subsidiary

Note 1: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

Note 2: CDIB Capital Intelligence Partners Limited conducted registration of establishment on February 28, 2020, however, it had been invested any capital as of June 30, 2020.

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2020
(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, 2020	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2020	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Note 2)	Carrying Value as of June 30, 2020	Accumulated Inward Remittance of Earnings as of June 30, 2020
					Outflow	Inflow						
CDIB Private Equity (China) Corporation	Management and consulting	US$ 7,000 thousand	Note 1,b,1)	US$ 7,000 thousand	$ -	$ -	US$ 7,000 thousand	$ 17,801	100.00	$ 17,801	$ 255,731	$ -
CDIB Private Equity (Fujian) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 3	-	-	-	-	9,761	70.00	6,833	56,086	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(2,267)	70.00	(1,587)	33,421	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment	CNY 1,000,000 thousand	Note 1,b,1),2)	CNY 350,000 thousand	-	-	CNY 350,000 thousand	(215,117)	-	(75,928)	1,405,442	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 7,000 thousand	Note 4	-	-	-	-	8,758	65.00	5,693	59,823	-
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(921)	65.00	(599)	32,080	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 1,000,000 thousand	Note 1,b,1),2)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	(80,745)	-	(24,503)	1,142,416	-
Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 285,000 thousand	Note 1,b,1),2)	-	CNY 89,224 thousand	-	CNY 89,224 thousand	(25,848)	-	(8,397)	367,470	-

Accumulated Investment in Mainland China as of June 30, 2020	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,793,207	US$352,296 thousand	$37,604,011

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third place by:

1) CDIB Private Equity (Hong Kong) Corporation Limited.
2) CDIB Venture Capital (Hong Kong) Corporation Limited.

c. Other.

Note 2: The column “Investment Gain” should state clearly, and the recognition was based on the:

a. Financial statements reviewed by an international CPA firm having a cooperative relation with CPA firms in the Republic of China;
b. Financial statements reviewed by the CPA firm of the parent company in Taiwan;
c. Other.

Note 3: CDIB Private Equity (Fujian) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

Note 4: CDIB Yida Private Equity (Kunshan) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2020

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2020	December 31, 2019	June 30, 2019	
The Corporation	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	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 services	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory services	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Private equity advisory services	100.00	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Private equity advisory services	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory services	100.00	100.00	100.00	
	CDIB Intelligence Partners Limited	Private equity advisory services	100.00	-	-	(Note)
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment Holdings	100.00	100.00	100.00	
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	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	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	27.08	
	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 (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 Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	58.34	58.34	58.34	

Note: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020, however, it had been invested any capital as of June 30, 2020.

CDIB CAPITAL GROUP AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2020
(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)
1	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	$ 106,513	Note 4	12.52%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	106,513	Note 4	12.52%

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.