CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2019 and 2018 and Independent Auditors' Report

勤業眾信

勤業眾信聯合會計師事務所
11073 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 11073, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
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, 2019, December 31, 2018 and June 30, 2018, and the consolidated statements of comprehensive income for the six months ended June 30, 2019 and 2018, changes in equity and cash flows for the six months then ended, 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, 2019, December 31, 2018 and June 30, 2018, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2019 and 2018, 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, 2019. 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.

Fair Value Measurement of Financial Instruments with No Quoted Market Prices in An Active Market

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, 2019.

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 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 the samples from the financial assets with no quoted market prices in an active market then valuating the appropriateness of the parameters used in the valuation models of the sample by re-performing the selection of comparable companies and testing the reasonability of the multiplier.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" 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, 2019 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, 2019

<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, 2019		December 31, 2018		June 30, 2018	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 26)	$ 9,246,728	20	$ 16,274,078	32	$ 15,293,796	28
Financial assets at fair value through profit or loss - current (Notes 4, 8, 26 and 28)	280,988	-	230,354	1	-	-
Other receivables (Notes 7 and 26)	2,018,743	4	1,109,625	2	1,167,264	2
Current tax assets (Notes 24 and 26)	324,291	1	323,548	1	346,194	1
Other current assets	436,562	1	551,142	1	305,257	-
Total current assets	12,307,312	26	18,488,747	37	17,112,511	31
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10 and 28)	19,135,206	41	18,315,126	36	24,094,190	43
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 28)	159,061	1	159,214	-	159,731	-
Investments accounted for using the equity method (Notes 9 and 10)	12,981,705	28	11,619,351	23	12,225,548	22
Property and equipment (Note 11)	556,008	1	780,626	2	903,773	2
Right-of-use assets, net (Notes 4 and 12)	132,415	-	-	-	-	-
Investment properties (Note 13)	1,051,647	2	849,456	2	787,857	2
Other non-current assets (Notes 14 and 24)	217,163	1	214,925	-	216,759	-
Total non-current assets	34,233,205	74	31,938,698	63	38,387,858	69
TOTAL	$ 46,540,517	100	$ 50,427,445	100	$ 55,500,369	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Other payables (Notes 15 and 26)	$ 675,047	1	$ 876,022	2	$ 692,524	1
Current tax liabilities (Notes 24 and 26)	702,976	2	544,515	1	395,971	1
Lease liabilities - current (Notes 4 and 12)	48,073	-	-	-	-	-
Other current liabilities (Note 26)	187,734	-	88,326	-	166,801	-
Total current liabilities	1,613,830	3	1,508,863	3	1,255,296	2
NON-CURRENT LIABILITIES						
Provisions - non-current (Notes 16 and 17)	149,046	1	152,045	-	157,380	1
Deferred tax liabilities (Note 24)	430,172	1	452,022	1	612,779	1
Lease liabilities - non-current (Notes 4 and 12)	84,660	-	-	-	-	-
Other non-current liabilities (Notes 18, 26 and 29)	543,603	1	541,125	1	534,498	1
Total non-current liabilities	1,207,481	3	1,145,192	2	1,304,657	3
Total liabilities	2,821,311	6	2,654,055	5	2,559,953	5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 19)						
Capital	20,411,159	44	20,411,159	41	20,411,159	37
Capital surplus	590,103	1	589,866	1	4,689,088	8
Retained earnings						
Legal reserve	18,525,309	40	21,525,309	43	22,425,309	40
Special reserve	395,150	1	667,434	1	667,434	1
Unappropriated earnings	2,510,962	5	4,041,723	8	4,246,162	8
Other equity						
Exchange differences on translation of foreign financial statements	(722,730)	(1)	(1,016,683)	(2)	(1,134,383)	(2)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,916,092	4	1,467,282	3	1,551,225	3
Total equity attributable to owners of the parent	43,626,045	94	47,686,090	95	52,855,994	95
NON-CONTROLLING INTERESTS	93,161	-	87,300	-	84,422	-
Total equity	43,719,206	94	47,773,390	95	52,940,416	95
TOTAL	$ 46,540,517	100	$ 50,427,445	100	$ 55,500,369	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 Per Share)

	For the Six Months Ended June 30			
	2019		2018	
	Amount	%	Amount	%
OPERATING REVENUE				
Dividend revenue	$ 77,112	2	$ 76,091	2
Share of the profit of associates for using equity method	626,344	20	61,533	2
Gains on financial assets measured at fair value through profit or loss (Note 20)	2,170,177	68	2,729,382	86
Consulting service revenue (Note 26)	333,300	10	315,707	10
Other operating revenue	5,149	-	3,587	-
Total operating revenue	3,212,082	100	3,186,300	100
GROSS PROFIT	3,212,082	100	3,186,300	100
OPERATING EXPENSES (Notes 21, 22 and 26)	797,184	24	720,214	23
PROFIT FROM OPERATIONS	2,414,898	76	2,466,086	77
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange gain (loss), net	646	-	45,965	2
Interest revenues (Note 26)	125,615	4	95,801	3
Interest expenses	(751)	-	(194)	-
Other gains and losses (Notes 23 and 26)	68,968	2	63,234	2
Total non-operating income and expenses	194,478	6	204,806	7
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,609,376	82	2,670,892	84
INCOME TAX EXPENSE (Note 24)	(91,089)	(3)	(145,097)	(5)
NET PROFIT FOR THE PERIOD	2,518,287	79	2,525,795	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 gain (loss) of associates and joint ventures	448,897	14	(126,433)	(4)

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2019		2018	
	Amount	%	Amount	%
Items that will be reclassified subsequently to profit or loss, net of income tax				
Exchange differences on translating foreign operations	$ 247,622	8	$ 439,020	14
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(86)	-	(750)	-
Share of the other comprehensive income of associates accounted for using the equity method	47,092	1	96,575	3
Other comprehensive income for the period, net of income tax	743,525	23	408,412	13
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 3,261,812	102	$ 2,934,207	92
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of parent company	$ 2,510,962	78	$ 2,515,674	79
Non-controlling interests	7,325	-	10,121	-
	$ 2,518,287	78	$ 2,525,795	79
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of parent company	$ 3,253,725	102	$ 2,923,765	92
Non-controlling interests	8,087	-	10,442	-
	$ 3,261,812	102	$ 2,934,207	92
EARNINGS PER SHARE (Note 25)				
Basic	$1.23		$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	Exchange Differences on Translating of Foreign Financial Statements	Unrealized Gains (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2018	$ 20,411,159	$ 4,688,261	$ 22,425,309	$ 2,823,507	$ 3,336,823	$ (1,669,657)	$ -	$ 959,824	$ 52,975,226	$ 88,479	$ 53,063,705
Effect of retrospective application and retrospective restatement	-	-	-	-	1,730,488	-	1,678,408	(959,824)	2,449,072	-	2,449,072
BALANCE AT JANUARY 1, 2018 AS RESTATED	20,411,159	4,688,261	22,425,309	2,823,507	5,067,311	(1,669,657)	1,678,408	-	55,424,298	88,479	55,512,777
Appropriation of the 2017 earnings											
Special reserve reversed	-	-	-	(2,156,073)	2,156,073	-	-	-	-	-	-
Cash dividends - NT$2.69 per share	-	-	-	-	(5,492,896)	-	-	-	(5,492,896)	-	(5,492,896)
	-	-	-	(2,156,073)	(3,336,823)	-	-	-	(5,492,896)	-	(5,492,896)
Net profit for the six months ended June 30, 2018	-	-	-	-	2,515,674	-	-	-	2,515,674	10,121	2,525,795
Other comprehensive income (loss) for the six months ended June 30, 2018, net income tax	-	-	-	-	-	535,274	(127,183)	-	408,091	321	408,412
Total comprehensive income (loss) for the six months ended June 30, 2018	-	-	-	-	2,515,674	535,274	(127,183)	-	2,923,765	10,442	2,934,207
Share-based payment	-	827	-	-	-	-	-	-	827	-	827
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,499)	(14,499)
BALANCE AT JUNE 30, 2018	$ 20,411,159	$ 4,689,088	$ 22,425,309	$ 667,434	$ 4,246,162	$ (1,134,383)	$ 1,551,225	$ -	$ 52,855,994	$ 84,422	$ 52,940,416
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

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	
	2019	**2018**
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,609,376	$ 2,670,892
Adjustments to reconcile net profit		
Depreciation expenses	46,548	28,111
Amortization expenses	5,912	8,524
Net gain on financial assets at fair value through profit or loss	(2,170,177)	(2,729,382)
Interest expense	751	194
Interest income	(125,615)	(95,801)
Dividend income	(77,112)	(76,091)
Share of profit of associates and joint ventures	(626,344)	(61,533)
Others	4,293	(8,383)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	1,713,282	8,812,891
Other receivables	(804,975)	(507,230)
Other current assets	(34,924)	(237,807)
Other operating assets	(9,174)	(23,787)
Other payables	(166,203)	(181,572)
Other current liabilities	92,200	56,526
Other operating liabilities	29,730	16,405
Cash generated from operations	487,568	7,671,957
Interest received	118,354	80,991
Dividend received	101,194	126,202
Interest paid	(841)	(90)
Income tax paid	(18,697)	(5,546)
Net cash generated from operating activities	687,578	7,873,514
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at FVTPL	(125,534)	(6,828)
Acquisition of associates	(387,718)	(43,547)
Others	71,063	78,746
Net cash generated from (used in) investing activities	(442,189)	28,371
CASH FLOWS FROM FINANCING ACTIVITIES		
Cash dividend paid	(4,314,007)	(5,492,896)
Prepayment of the principal portion of lease liabilities	(24,050)	-
Cash dividends distributed from legal reserve	(3,000,000)	-
Net cash used in financing activities	(7,338,057)	(5,492,896)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	65,318	101,609

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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	
	2019	**2018**
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	$ (7,027,350)	$ 2,510,598
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	16,274,078	12,783,198
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 9,246,728	$ 15,293,796

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 and started operations on May 14, 1959. Effective January 1999, the Corporation was converted from a trust corporation into an industrial bank under government approval. On December 28, 2001, the Corporation's shareholders exchanged their Bank holdings of shares in China Development Financial Holding Corporation (CDFH; the Corporation's parent company) at a 1:1 ratio, which was approved by the Ministry of Finance (MOF). As required by the Financial Holding Company Act, CDFH's shares were listed on the Taiwan Stock Exchange after the exchange and the Corporation became a wholly owned subsidiary of CDFH.

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 shareholders' 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 FSC approved the conversion on March 10, 2017 with Official Letter No. 1600025880.

The Corporation's mainly operations included securities investment, investment financial related business, venture capital and other activities approved by the authorities.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and authorized for issue on August 12, 2019.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

Except for the following, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Corporation and Subsidiaries' accounting policies:

- IFRS 16 "Leases"

IFRS 16 provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessee and lessor. It supersedes IAS 17 "Leases", IFRIC 4 "Determining whether an Arrangement contains a Lease", and a number of related interpretations. Refer to Note 4 for information relating to the relevant accounting policies.

<u>Definition of a lease</u>

The Corporation and subsidiaries elect to apply the guidance of IFRS 16 in determining whether contracts are, or contain, a lease only to contracts entered into (or changed) on or after January 1, 2019. Contracts identified as containing a lease under IAS 17 and IFRIC 4 are not reassessed and are accounted for in accordance with the transitional provisions under IFRS 16.

<u>The Corporation and subsidiaries as lessee</u>

The Corporation and subsidiaries recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases are recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Corporation and subsidiaries present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities are classified within financing activities; cash payments for the interest portion are classified within operating activities. Prior to the application of IFRS 16, payments under operating lease contracts were recognized as expenses on a straight-line basis. Cash flows for operating leases were classified within operating activities on the consolidated statements of cash flows.

The Corporation and subsidiaries elect to apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized in retained earnings on January 1, 2019. Comparative information is not restated.

Lease liabilities were recognized on January 1, 2019 for leases previously classified as operating leases under IAS 17. Lease liabilities were measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate on January 1, 2019. Right-of-use assets are measured at an amount equal to the lease liabilities, adjusted by the amount of any prepaid lease payment. The Corporation and subsidiaries apply IAS 36 to all right-of-use assets.

The Corporation and subsidiaries account for those leases for which the lease term ends on or before December 31, 2019 as short-term leases of practical expedients.

The weighted average lessee's incremental borrowing rate applied to lease liabilities recognized on January 1, 2019 is 0.80%-1.01%. The difference between the (i) lease liabilities recognized and (ii) operating lease commitments disclosed under IAS 17 on December 31, 2018 is explained as follows:

The future minimum lease payments of non-cancellable operating lease commitments on December 31, 2018	$ 64,978
Less: Recognition exemption for short-term leases	(3,559)
Less: Recognition exemption for leases of low-value assets	(50)
Undiscounted amounts on January 1, 2019	$ 61,369
Discounted amounts using the incremental borrowing rate on January 1, 2019	$ 60,300
Lease liabilities recognized on January 1, 2019	$ 60,300

The Corporation and subsidiaries as lessor

The Corporation and subsidiaries do not make any adjustments for leases in which it is a lessor, and it accounts for those leases with the application of IFRS 16 starting from January 1, 2019.

The impact on assets, liabilities and equity as of January 1, 2019

With the application of IFRS 16, right-of-use assets and lease liabilities will increase by $60,300 thousand and $60,300 thousand on January 1, 2019.

b. The IFRSs endorsed by the FSC for application starting from 2020

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 1)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 2)

Note 1: The Corporation and subsidiaries shall apply these amendments 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, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 2: The Corporation and subsidiaries shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

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 Corporation and subsidiaries' financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

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

New IFRSs	Effective Date Announced by IASB (Note)
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, 2021

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

- 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 Corporation and subsidiaries sell or contribute assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Corporation and subsidiaries lose 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 Corporation and subsidiaries sell or contribute assets that do not constitute a business to an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation and subsidiaries’ interest as an unrelated investor in the associate, i.e. the Corporation and subsidiaries’ share of the gain or loss is eliminated. Also, when the Corporation and subsidiaries lose control of a subsidiary that does not contain a business but retains significant influence control over an associate, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation and subsidiaries’ interest as an unrelated investor in the associate, i.e. the Corporation and subsidiaries’ share of the gain or loss is eliminated.

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 Corporation and subsidiaries’ 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 the 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 except for financial instruments that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

Principles for Preparing Consolidation Financial Statements

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiaries). All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

The accounting policies of the financial statements of subsidiaries are consistent with those used by the Corporation.

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

As of June 30, 2019, December 31, 2018 and June 30, 2018, the consolidated entities included in the consolidated financial statements included 20, 19 and 19 companies, respectively (please refer to the attached Table 6).

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.

<u>Financial assets and liabilities</u>

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.

- Measurement categories

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

  a. 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.

b. Investments in debt instruments at FVTOCI

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

   1) 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

   2) 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.

Except for the following, please refer to summary of significant accounting policies of consolidated financial statements for the year 2018.

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. The effect of a change in tax rate resulting from a change in tax law is recognized consistent with the accounting for the transaction itself which gives rise to the tax consequence, and is recognized in profit or loss, other comprehensive income or directly in equity in full in the period in which the change in tax rate occurs.

Leases

<u>2019</u>

At the inception of a contract, the Corporation and subsidiaries assess whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation and subsidiaries allocate the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

a. The Corporation and subsidiaries as lessor

   Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

   Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

b. The Corporation and subsidiaries as lessee

The Corporation and subsidiaries recognize right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Corporation and subsidiaries by the end of the lease terms or if the costs of right-of-use assets reflect that the Corporation and subsidiaries will exercise a purchase option, the Corporation and subsidiaries depreciate the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the lease payments. If that rate can be readily determined, the Corporation and subsidiaries uses interest the rate implicit in a lease. If that rate cannot be readily determined, the Corporation and subsidiaries uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation and subsidiaries remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

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.

<u>Fair value measurement of financial products with no quoted market prices in an active market</u>

Management uses valuation model or refers to the available quotations from other financial institutions in determining the fair value of financial products 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, 2019	December 31, 2018	June 30, 2018
Cash on hand	$ 28	$ 28	$ 120
Checking accounts and demand deposits	1,813,298	1,200,497	1,791,611
Cash equivalent			
Short-term notes	1,018,828	1,706,181	1,647,305
Time deposits	6,414,574	13,367,372	11,854,760
	$ 9,246,728	$ 16,274,078	$ 15,293,796

7. OTHERS RECEIVABLES

	June 30, 2019	December 31, 2018	June 30, 2018
Receivable from securities sold	$ 1,452,164	$ 810,113	$ 263,191
Accrued incomes	324,589	85,975	719,312
Interest receivable	165,403	158,142	134,827
Others	76,587	55,395	49,934
	$ 2,018,743	$ 1,109,625	$ 1,167,264

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets mandatorily classified as at FVTPL			
Nonderivative financial instrument			
Open - ended funds	$ 280,988	$ 230,354	$ -

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

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets mandatorily classified as at FVTPL			
Nonderivative financial instrument			
Partnership funds	$ 6,719,197	$ 6,083,712	$ 6,891,106
Stocks	6,592,074	7,494,433	11,925,045
Others	4,918,915	4,162,917	4,838,919
	18,230,186	17,741,062	23,655,070

(Continued)

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets designated as FVTPL			
Associates	905,020	574,064	439,120
Financial assets at FVTPL	$ 19,135,206	$ 18,315,126	$ 24,094,190

(Concluded)

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates that are not individually material

	June 30, 2019		December 31, 2018		June 30, 2018	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Unlisted companies						
CDIB & Partners Investment Holding Corporation	$ 5,488,115	29	$ 4,575,742	29	$ 4,934,479	29
CDIB Capital Asia Partners L.P.	3,241,204	-	2,734,469	-	2,914,086	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	1,655,525	-	1,648,309	-	1,723,119	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,398,587	-	1,421,496	-	1,441,414	-
CDIB Capital Health Ventures Limited	620,650	34	599,556	34	581,447	34
CDIB Capital Creative Industries Limited	534,954	40	597,044	40	578,508	40
Others	42,670		42,735		52,495	
	$ 12,981,705		$ 11,619,351		$ 12,225,548	

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 have the equities of structured entities which the Corporation and subsidiaries do not have significant influence and have rights and obligations in accordance to the contract.

	June 30, 2019	December 31, 2018	June 30, 2018
Partnership funds investment			
Financial assets at fair value through profit or loss	$ 6,719,197	6,083,712	$ 6,891,106
Maximum exposure	6,719,197	6,083,712	6,891,106

b. Partnership funds management

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

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

	June 30, 2019	December 31, 2018	June 30, 2018
Partnership funds management			
Total assets	$ 25,458,316	$ 22,431,078	$ 23,070,000
Total liabilities	156,087	102,172	269,396
Investments accounted for using equity method	6,295,316	5,804,274	6,078,619
Financial assets at FVTPL	586,598	429,846	294,118
Maximum exposure	6,881,914	6,234,120	6,372,737

11. PROPERTY AND EQUIPMENT

	June 30, 2019	December 31, 2018	June 30, 2018
Land	$ 338,925	$ 524,135	$ 583,762
Buildings and facilities	199,748	235,596	294,897
Computer equipment	6,123	7,559	8,159
Transportation equipment	13	20	27
Other equipment	5,753	7,134	9,272
Leasehold improvements	5,446	6,182	7,525
	556,008	780,626	903,642
Prepayments for acquisition of properties	-	-	131
	$ 556,008	$ 780,626	$ 903,773

Except for depreciation recognized, the Corporation and subsidiaries' had no significant addition, disposal and impairment of property and equipment during the six months ended June 30, 2019 and 2018.

The above items of property and equipment were depreciated on a straight-line basis at the following rates per annum:

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	3-8 years
Transportation equipment	5 years
Other equipment	
Office furniture and equipment	5-8 years
Others	5 years
Leasehold improvements	1-3 years

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

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2019
Carrying amounts	
Buildings	$ 131,077
Transportation equipment	352
Other equipment	986
	$ 132,415

	For the Six Months Ended June 30, 2019
Additions to right-of-use assets	$ 95,388
Depreciation of right-of-use assets	
Buildings	$ 23,077
Transportation equipment	141
Other equipment	41
	$ 23,259

b. Lease liabilities

	June 30, 2019
Carrying amounts	$ 132,733

Range of discount rate for lease liabilities were as follows:

	June 30, 2019
Buildings	0.80%-1.01%
Transportation equipment	0.86%
Other equipment	1.07%

The maturity analysis of lease liabilities were as follows:

	June 30, 2019
Not later than 1 year	$ 49,049
Later than 1 year and not later than 5 years	85,511
	$ 134,560

c. Material lease-in activities and terms

The Corporation and subsidiaries lease building, transportation equipment and other 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 Notes 13.

	For the Six Months Ended June 30, 2019
Expenses relating to short-term leases	$ 13,339
Total cash outflow for leases	$ 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, 2019	December 31, 2018	June 30, 2018
Land	$ 792,802	$ 607,592	$ 571,837
Buildings and facilities	258,845	241,864	216,020
	$ 1,051,647	$ 849,456	$ 787,857

Except for depreciation recognized, the Corporation and subsidiaries' had no significant addition, disposal and impairment of investment property during the six months ended June 30, 2019 and 2018.

The above items of investment properties were depreciated on a straight-line basis at the following rates per annum:

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 property as of June 30, 2019, December 31, 2018 and June 30, 2018 were $5,577,953 thousand, $4,310,577 thousand and $4,232,452 thousand, respectively.

The fair value of their investment property not valued by any independent appraiser is referred to the arrived external appraisal reports as of 2017. After evaluating, the Corporation and subsidiaries determined that the fair value reported at June 30, 2019, December 31, 2018 and June 30, 2018 were still valid.

The Corporation and subsidiaries' investment property is mainly based on leased building 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, 2019 were as follows:

	June 30, 2019
Year 1	$ 111,412
Year 2	15,798
Year 3	8,234
Year 4	3,240
Year 5	3,240
Year 5 onwards	7,560
	$ 149,484

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

	Estimated Useful Lives
Buildings	5-50 years

The Corporation and subsidiaries had not pledged and investment property for using the equity method as collateral.

14. OTHER NON-CURRENT ASSETS

	June 30, 2019	December 31, 2018	June 30, 2018
Restricted assets	$ 124,322	$ 120,162	$ 119,353
Guarantee deposits paid	70,628	68,795	65,744
Computer software	8,704	14,603	21,947
Others	13,509	11,365	9,715
	$ 217,163	$ 214,925	$ 216,759

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, 2019	December 31, 2018	June 30, 2018
Accrued expenses	$ 641,852	$ 753,850	$ 666,783
Others	33,195	122,172	25,741
	$ 675,047	$ 876,022	$ 692,524

16. PROVISIONS - NON-CURRENT

	June 30, 2019	December 31, 2018	June 30, 2018
Provisions for employee benefits	$ 145,923	$ 148,951	$ 154,897
Others	3,123	3,094	2,483
	$ 149,046	$ 152,045	$ 157,380

17. RETIREMENT BENEFIT PLANS

The Corporation and subsidiaries' retirement benefit plans consist of defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2018 and 2017, respectively.

For the six months ended June 30, 2019 and 2018, the Corporation and subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of $1,751 thousand and $1,984 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) of $6,720 thousand and $7,527 thousand, respectively.

18. OTHER NON-CURRENT LIABILITIES

	June 30, 2019	December 31, 2018	June 30, 2018
Other financial liabilities	$ 385,676	$ 381,410	$ 378,846
Guarantee deposits received	31,978	29,167	29,508
Others	125,949	130,548	126,144
	$ 543,603	$ 541,125	$ 534,498

19. EQUITY

a. Capital

Common stock

	June 30, 2019	December 31, 2018	June 30, 2018
Numbers 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, 2019	December 31, 2018	June 30, 2018
Arising from issuance of common shares	$ 477,409	$ 477,409	$ 4,577,409
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	3,169	3,169	3,169
Share-based payments awards	10,660	10,423	9,645
Arising from donations	20	20	20
	$ 590,103	$ 589,866	$ 4,689,088

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 long-term investments may not be used for any purpose.

c. Special reserve

Under a directive issued by the SFB, whenever the components of shareholders' 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 cash paid 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 losses of the past years. 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 corporate charter. The remainder will then be used to pay for the accrued dividends of the past years and dividend of the current year.

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 shareholders' meeting in the year following, 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 shareholders' meetings do not apply to the Corporation and the board of directors is thus entitled to exercise shareholders' meeting functions.

Appropriation of the 2018 and 2017 earnings that approved by board of directors which entitled to execute shareholders' meeting function on May 27, 2019 and May 28, 2018 respectively were as follows:

	2018	2017
Reversal of special reserve	$ 272,284	$ 2,156,073
Cash dividends (NT$2.11 and NT$2.69 per share)	4,314,007	5,492,896

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

On July 30, 2018, the Corporation's board of directors approved on behalf of the shareholders' meeting, the distribution of cash dividends of $4,100,000 thousand and $900,000 thousand arising from the excess of par value of issued ordinary shares from the capital surplus and legal reserve, respectively, 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 ON FINANCIAL ASSETS MEASURED AT FVTPL

	For the Six Months Ended June 30	
	2019	2018
Stocks	$ 1,252,211	$ 1,357,497
Partnership Funds	844,027	1,341,244
Others	73,939	30,641
	$ 2,170,177	$ 2,729,382

21. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2019	2018
Property and equipment	$ 12,039	$ 18,923
Right-of-use assets	23,259	-
Investment property	11,250	9,188
Other non-current assets	5,912	8,524
	$ 52,460	$ 36,635

(Continued)

	For the Six Months Ended June 30	
	2019	2018
An analysis of depreciation by function		
Operating expenses	$ 35,298	$ 18,923
Non-operating expenses	11,250	9,188
	$ 46,548	$ 28,111
An analysis of amortization by function		
Operating expenses	$ 5,912	$ 8,524

(Concluded)

22. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2019	2018
Employee benefit expense		
Salaries and wages	$ 523,579	$ 459,174
Employee insurance	21,095	19,651
Pension	8,471	9,511
Others	40,815	41,835
	$ 593,960	$ 530,171
An analysis by function		
Operating expense	$ 593,960	$ 530,171

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 shareholders' 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, 2019 and 2018, the compensation of employees was estimated at $25,530 thousand and $26,643 thousand, respectively.

For the years ended December 31, 2018 and 2017, the compensation of employees was $26,000 thousand and $35,000 thousand approved by the board of directors on March 25, 2019 and March 26, 2018, respectively.

Material differences between the estimated amounts and the amounts proposed by the board of directors on or before the date the financial statements of the fiscal year are authorized for issue are adjusted in the year the bonus and remuneration were recognized. If there is a change in the proposed amounts after the financial statements of the fiscal year 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, 2018 and 2017.

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	
	2019	2018
Rent revenue	$ 71,186	$ 57,700
Other revenue	9,283	14,846
Other loss	(11,501)	(9,312)
	$ 68,968	$ 63,234

24. INCOME TAX

a. Income tax expense

	For the Six Months Ended June 30	
	2019	2018
Current income tax		
Current period	$ (151,438)	$ (87,762)
Prior periods	39,202	9,011
	(112,236)	(78,751)
Deferred income tax	21,147	(66,346)
Income tax expense	$ (91,089)	$ (145,097)

The Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate will be adjusted from 17% to 20%. In addition, the rate of the corporate surtax applicable to 2018 unappropriated earnings will be reduced from 10% to 5%.

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, 2019	December 31, 2018	June 30, 2018
Tax charged to the parent company	$ 317,267	$ 317,267	$ 339,279
Tax paid to the parent company	$ 525,542	$ 523,096	$ 374,545

c. Income tax assessments

The Corporation used the linked-tax system in 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 2017 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation for the year 2016 and through 2014 had been examined by the tax authorities.

25. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the six months ended June 30, 2019			
Net profit attributable to shareholders of parent company	$ 2,510,962	2,041,116	$ 1.23
For the six months ended June 30, 2018			
Net profit attributable to shareholders of parent company	$ 2,515,674	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 it's subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and it's subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company
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 & Partners Investment Holding Corporation	Associate
CDIB Capital Growth Partners L.P.	Associate
CDIB Capital Global Opportunities Fund L.P.	Other related parties
GOF 1 SC Holdings LLC	Other related parties
GOF 2 QT Holdings LLC	Other related parties
Others	Other related parties

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

	Amount	%
June 30, 2019		
KGI Commercial Bank Co., Ltd.	$ 657,560	7
Subsidiary of the parent company	40,527	-
December 31, 2018		
KGI Commercial Bank Co., Ltd.	6,716,447	41
Subsidiary of the parent company	54,030	-
June 30, 2018		
KGI Commercial Bank Co., Ltd.	7,105,423	46
Subsidiary of the parent company	13,107	-

For the six months ended June 30, 2019 and 2018, the interest revenues from cash in bank were $18,872 thousand and $24,389 thousand, respectively.

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

	Amount	%
June 30, 2019		
KGI Securities Co., Ltd. and it's subsidiaries	$ 280,988	100
December 31, 2018		
KGI Securities Co., Ltd. and it's subsidiaries	230,354	100

c. Accrued incomes (recognized as other receivables)

	Amount	%
June 30, 2019		
CDIB Capital Asia Partners L.P	$ 174,490	9
CDIB & Partners Investment Holding Corporation	125,280	6
Other related parties	131	-
December 31, 2018		
Subsidiary of the parent company	4,610	-
Associate	81,157	7
Other related parties	48	-
June 30, 2018		
CDIB Capital Asia Partners L.P	242,780	21
CDIB & Partners Investment Holding Corporation	125,280	11

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

	Amount	%
December 31, 2018		
GOF 2 QT Holdings LLC	$ 279,495	25
GOF 1 SC Holdings LLC	180,017	16

e. Other receivables - other

	Amount	%
June 30, 2019		
Other related parties	$ 52,798	3
December 31, 2018		
Other related parties	39,845	4
June 30, 2018		
Other related parties	10,785	1

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

	June 30, 2019		December 31, 2018		June 30, 2018	
	Amount	%	Amount	%	Amount	%
Parent company	$ 317,267	98	$ 317,267	98	$ 339,279	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, 2019		December 31, 2018		June 30, 2018	
	Amount	%	Amount	%	Amount	%
Parent company	$ 525,542	75	$ 523,096	96	$ 374,545	95

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, 2019			
KGI Commercial Bank Co., Ltd.	$	12,104	6
Subsidiary of the parent company		299	-
Other related parties		534	-
December 31, 2018			
KGI Commercial Bank Co., Ltd.		10,094	11
Subsidiary of the parent company		299	-
Other related parties		534	1
June 30, 2018			
KGI Commercial Bank Co., Ltd.		10,094	6
Subsidiary of the parent company		954	1
Other related parties		534	-

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

		Amount	%
June 30, 2019			
Parent company	$	4,104	1
Subsidiary of the parent company		23,549	4
Associate		1,603	-
Other related parties		311	-
December 31, 2018			
Parent company		4,104	1
Subsidiary of the parent company		20,533	4
Associate		1,603	-
Other related parties		311	-
June 30, 2018			
Parent company		4,104	1
Subsidiary of the parent company		20,762	4
Associate		1,603	-
Other related parties		311	-

j. Consulting service revenues

		Amount	%
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
For the six months ended June 30, 2018			
CDIB Capital Asia Partners L.P		117,949	37
CDIB Capital Growth Partners L.P.		54,647	17
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		43,441	14
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		32,581	10
Subsidiary of the parent company		8,868	3
Other related parties		35,898	11

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

		Amount	%
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
For the six months ended June 30, 2018			
KGI Commercial Bank Co., Ltd.		39,337	62
Parent company		8,173	13
Subsidiary of the parent company		2,292	4
Other related parties		3,828	6

The rent was based on market prices and receivable quarterly.

l. Donation (recognized as operating costs)

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

m. Compensation of key management personnel

	For the Six Months Ended June 30	
	2019	2018
Salary and short-term benefits	$ 87,604	$ 83,596
Post-employment benefits	548	463
Share-based payment	551	412
	$ 88,703	$ 84,471

27. RISK OF CAPITAL 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 shareholders' 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 I fair values are quoted prices in active markets for financial instruments.

b) Level II fair values are those directly or indirectly observable inputs other than Level I quoted prices, such as the quoted prices of similar financial instruments in less active markets or price estimates arrived at through pricing models that use inputs such as interest rates, which are derived from or can be corroborated by observable market data.

c) Level III 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, 2019

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	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				
Partnership fund	$ -	$ -	$ 6,719,197	$ 6,719,197
Stock	3,027,783	496,126	3,068,165	6,592,074
Open-end funds	280,988	-	-	280,988
Others	-	453,544	4,465,371	4,918,915
Financial assets designated as at FVTPL	-	-	905,020	905,020
Financial assets at FVTOCI				
Bond	-	159,061	-	159,061

December 31, 2018

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	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	$ 2,807,943	$ 81,132	$ 4,605,358	$ 7,494,433
Partnership fund	-	-	6,083,712	6,083,712
Open-end funds	230,354	-	-	230,354
Others	-	-	4,162,917	4,162,917
Financial assets designated as at FVTPL	-	-	574,064	574,064
Financial assets at FVTOCI				
Bond	-	159,214	-	159,214

June 30, 2018

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	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	$ 4,280,859	$ 101,596	$ 7,542,590	$ 11,925,045
Partnership fund	-	-	6,891,106	6,891,106
Others	-	-	4,838,919	4,838,919
Financial assets designated as at FVTPL	-	-	439,120	439,120
Financial assets at FVTOCI				
Bond	-	159,731	-	159,731

3) Financial instruments measured at fair value

For financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income, fair value is determined at quoted market prices. When market prices of the 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) Movement of financial instrument hierarchy between Level I and Level II

There is no movement of financial instrument hierarchy between Level I and Level II for the six months ended June 30, 2019.

5) Reconciliation of Level III items of financial instruments

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

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 III	Sale, Disposal, Settlement or Derecognition	Transfer from Level III (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 14,851,987	$ 1,653,066	$ 1,865,174	$ -	$ 3,248,623	$ 868,871	$ 14,252,733
Financial assets designated as at FVTPL	574,064	55,422	275,534	-	-	-	905,020

For the Six Months Ended June 30, 2018

(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 III	Sale, Disposal, Settlement or Derecognition	Transfer from Level III	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 17,474,833	$ 2,122,915	$ 1,127,639	$ -	$ 1,452,772	$ -	$ 19,272,615
Financial assets designated as at FVTPL	457,036	37,544	6,828	-	62,288	-	439,120

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, 2019 and 2018 included gain of $309,691 thousand and $850,026 thousand relating to assets measured at fair value on Level III fair value measurement and held at the end of reporting date.

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

The explanation of quantitative information about Level 3 security investments of the Corporation and subsidiaries were as follows:

	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%	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 Non-controlling Interest discount	23%-29% 11%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	31.84%-35.1%	When the higher returns on stock value volatility, the higher of fair value.
		Recent strike price	-	-	-

	Fair Value at December 31, 2018	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	$ 15,426,051	Market approach	P/B P/S Lack of liquidity discount	0.66-2.06 0.31-9.44 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% 10.33%-14.14% 3%-7%	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 Non-controlling Interest discount	23%-29% 11%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	39.05%-39.2%	When the higher returns on stock value volatility, the higher of fair value.
		Recent strike price	-	-	-

	Fair Value at June 30, 2018	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 19,711,735	Market approach	P/B P/S Lack of liquidity discount	0.74-3.3 0.49-11.87 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% 10.87%-12.63% 3%-7%	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 Non-controlling Interest discount	23%-29% 11%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	32%-40%	When the higher returns on stock value volatility, the higher of fair value.
		Recent strike price	-	-	-

7) Pricing process of level III 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.

b. Financial instruments not carried at fair value

Financial instruments measured not carried at fair value which have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

c. Categories of financial instruments

	June 30, 2019	December 31, 2018	June 30, 2018
Financial assets			
Fair value through profit or loss (FVTPL)			
Financial assets mandatorily classified as at FVTPL	$ 18,511,174	$ 17,971,416	$ 23,655,070
Designated as at FVTPL	905,020	574,064	439,120
	$ 19,416,194	$ 18,545,480	$ 24,094,190
Amortized cost			
Cash and cash equivalent	$ 9,246,728	$ 16,274,078	$ 15,293,796
Other receivables	2,018,743	1,109,625	1,167,264
Others	70,628	68,795	65,744
	$ 11,336,099	$ 17,452,498	$ 16,526,804
Fair value through other comprehensive income			
Debt investments	$ 159,061	$ 159,214	$ 159,731
Financial liabilities			
Amortized cost			
Other payables	$ 675,047	$ 876,022	$ 692,524
Lease liabilities	132,733	-	-
Others	417,654	410,577	408,354
	$ 1,225,434	$ 1,286,599	$ 1,100,878

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 supervising the implementation of risk management policies, inspecting risk control reports and dealing with related issues. The Corporation also has a risk management department to plan and manage the risk management system, supervise the implementation of risk management of subsidiaries and provide related information to the 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, 2019		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
Financial assets			
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
Financial liabilities			
Monetary items			
USD	14,436	31.072	448,557

	December 31, 2018		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 223,828	30.733	$ 6,878,905
CNY	187,203	4.476	837,845
HKD	55,585	3.924	218,117
KRW	6,854,094	0.028	188,755
JPY	414,683	0.278	115,448
Nonmonetary items			
USD	380,420	30.733	11,691,440
THB	230,845	0.949	219,072
Investments accounted for using the equity method			
CNY	685,898	4.476	3,069,805
USD	89,104	30.733	2,738,434
Financial liabilities			
Monetary items			
USD	15,381	30.733	472,712

	June 30, 2018		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 224,515	30.500	$ 6,847,698
HKD	130,654	3.887	507,852
CNY	88,220	4.600	405,848
KRW	6,940,511	0.027	189,767
JPY	417,233	0.276	115,031
Nonmonetary items			
USD	401,725	30.500	12,252,602
CNY	97,786	4.600	449,856
THB	210,037	0.920	193,234
KRW	4,089,552	0.027	111,817
Investment accounted for using the equity method			
CNY	687,882	4.600	3,164,533
USD	95,667	30.500	2,917,850
Financial liabilities			
Monetary items			
USD	36,853	30.500	1,124,026

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 an increase in pre-tax profit 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	
	2019	**2018**
Monetary items		
USD	$ 58,112	$ 57,237
HKD	9,900	5,079
CNY	9,740	3,908
KRW	1,904	1,898
JPY	1,197	1,150

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of June 30, 2019 and 2018 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, 2019 and 2018 would increase/decrease by $186,338 thousand and $231,972 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, 2019, December 31, 2018 and June 30, 2018, other financial liabilities are $385,676 thousand, $381,410 thousand and $378,846 thousand, respectively, and will be paid by financial assets and the rest of non-derivative financial liabilities are $839,758 thousand, $905,189 thousand and $722,032 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 December 31, 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$385,676 thousand based on the exchange rate of June 30, 2019) was reclassified to "other financial liabilities". The litigation had not yet been concluded as of June 30, 2017. 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. CDIB Capital Management Corporation and Powercom Ltd. could not estimate the related possible loss because the case was currently pending in the Taipei District 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) Subsidiaries are acquired and disposed of, at cost or price 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: None.

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' mainly operations included securities investment, investment and transaction in financial instruments linked to the equity securities, and management of private equity fund, the chief operating decision-maker design the capital allocation from overall corporation perspective, so overall corporation is a single operating segment.

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2019
(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, 2019				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Stocks							
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss	1,036,248	$ 113,987	0.63	$ 113,987	
	Logitech Inc.	-	Financial assets at fair value through profit or loss	2,965,248	43,647	10.69	43,647	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	4,828,064	13,785	10.83	13,785	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	77,969	6.04	77,969	
	National Glory Development Corp.	-	Financial assets at fair value through profit or loss	646,884	10,378	6.47	10,378	
	Hair O'right International Corp.	-	Financial assets at fair value through profit or loss	1,735,837	130,188	8.53	130,188	
	DaBomb Protein Corp.	-	Financial assets at fair value through profit or loss	2,864,568	74,908	9.79	74,908	
	Power Venture Co.	-	Financial assets at fair value through profit or loss	677,245	6,008	5.68	6,008	
	Ori Vita Bio Application Inc.	-	Financial assets at fair value through profit or loss	858,690	5,561	0.42	5,561	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,000,000	29,847	9.91	29,847	
	E-one Moli Energy Corp.	-	Financial assets at fair value through profit or loss	12,123,772	121,238	2.14	121,238	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	55,214	13.96	55,214	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	12,316,000	151,979	4.31	151,979	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	13,729	1.95	13,729	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	30,120	8.40	30,120	
	Mec Imex Inc.	-	Financial assets at fair value through profit or loss	4,802,000	49,593	10.52	49,593	
	Yieh United Steel Corp.	-	Financial assets at fair value through profit or loss	6,297,622	40,494	0.24	40,494	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	1,300,403	9,279	6.45	9,279	
	AMIA Co.	-	Financial assets at fair value through profit or loss	6,000,000	117,300	9.54	117,300	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	72,766	6.85	72,766	
	PlexBio Co., Ltd.	-	Financial assets at fair value through profit or loss	3,526,000	53,454	5.07	53,454	
	Riselink Restructuring Fund Corporation	-	Financial assets at fair value through profit or loss	3,289,681	34,715	12.50	34,715	
	Orient Pharma Co., Ltd.	-	Financial assets at fair value through profit or loss	2,857,800	51,440	1.83	51,440	
	Wai-Gin Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	1,170,000	1,738	3.44	1,738	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	7,567,424	129,640	5.64	129,640	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	25,898	6.47	25,898	
	Topview Optronics Corp.	-	Financial assets at fair value through profit or loss	252,000	10,332	1.10	10,332	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	2,507,107	189,036	2.50	189,036	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	73,622	5.98	73,622	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	31,402	1.38	31,402	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,308,026	114,163	7.88	114,163	
	Nan Pao Resins Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	280,232	43,576	0.23	43,576	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	4,300,000	15,074	4.77	15,074	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	2,494,309	29,802	5.28	29,802	
	Terawins, Inc.	-	Financial assets at fair value through profit or loss	1,913,996	5,960	6.30	5,960	
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss	1,340,803	18,543	4.12	18,543	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through profit or loss	2,731,098	23,724	10.57	23,724	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	8,962	10.43	8,962	
	Overseas Investment & Development Corp.	-	Financial assets at fair value through profit or loss	2,600,000	19,232	2.89	19,232	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	37,494	7.95	37,494	
	Lefram Technology Corporation	-	Financial assets at fair value through profit or loss	7,484,454	36,150	17.48	36,150	
	TAK Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,467,706	1,028	4.14	1,028	
	Engineering & IP Advanced Technologies Ltd.	-	Financial assets at fair value through profit or loss	4,216	-	0.00	-	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	104,311	4.81	104,311	
	JHL. Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	528,119	3.98	528,119	
	Easten Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	159,628	12.00	159,628	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	221,703	8.02	221,703	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	3,675,000	27,831	0.15	27,831	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2019				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Engineering & IP Advanced Technologies Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	6,392,765	$ 706	0.35	$ 706	
	Lightel Technologies, Inc.	-	Financial assets at fair value through profit or loss	3,000,000	101,263	43.44	101,263	
	Apexigen, Inc.	-	Financial assets at fair value through profit or loss	4,970,588	62,204	9.59	62,204	
	Fund							
	CommLaunch	-	Financial assets at fair value through profit or loss	-	53,882	-	53,882	
	ARCH Venture Fund V, L.P.	-	Financial assets at fair value through profit or loss	-	6,880	-	6,880	
	Forward Venture V	-	Financial assets at fair value through profit or loss	-	25,548	-	25,548	
	Sanderling	-	Financial assets at fair value through profit or loss	-	11,527	-	11,527	
	Samara Capital Partners Fund I Limited	-	Financial assets at fair value through profit or loss	-	84,952	-	84,952	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	560,443	-	560,443	
	Corporate bond							
	Belta (Cayman) Holding Limited	-	Financial assets at fair value through profit or loss	11,959,916	7,740	-	7,740	
	Government bonds							
	A00109	-	Fair value through other comprehensive income financial assets	7,000,000	7,111	-	7,111	
	A01105	-	Fair value through other comprehensive income financial assets	100,000,000	101,839	-	101,839	
	A03115	-	Fair value through other comprehensive income financial assets	50,000,000	50,111	-	50,111	
CDIB Capital Management Inc.	Stocks							
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	65,660	6,074	0.05	6,074	
	MCM Stamping Co., Ltd.	-	Financial assets at fair value through profit or loss	70,000	250	0.22	250	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	783,000	13,414	0.58	13,414	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,240	1.44	1,240	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	101,240	4,768	0.09	4,768	
	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	6,931,148	80,349	-	80,349	
CDIB Venture Capital Corporation	Stocks							
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	1,388,659	25,621	1.98	25,621	
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	824,500	18,195	0.00	18,195	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	3,731	1.24	3,731	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500,000	479	4.22	479	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	195,015	4.68	195,015	
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,809,000	87,837	2.68	87,837	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	75,000	1.55	75,000	
	Sum Max Tech. Limited	-	Financial assets at fair value through profit or loss	1,434,882	58,615	5.47	58,615	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	1,101,000	39,141	2.86	39,141	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	5,708,562	465,819	0.97	465,819	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	788,000	156,024	0.60	156,024	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	6,477,527	18,276	14.81	18,276	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	5,698,702	352,750	16.76	352,750	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,725,007	57,775	4.69	57,775	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,528,901	146,516	10.11	146,516	
	Greatland Electronics Taiwan Ltd.	-	Financial assets at fair value through profit or loss	1,920,000	12,758	5.50	12,758	
	Shengzhuang Holdings Limited	-	Financial assets at fair value through profit or loss	610,590	3,425	6.11	3,425	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	104,311	4.81	104,311	
	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	514,821	2,231	-	2,231	
	Cvie Therapeutics Company Limited	-	Financial assets at fair value through profit or loss	560,000	19,857	4.15	19,857	
	Shane Global Holding Inc.	-	Financial assets at fair value through profit or loss	719,700	102,917	0.65	102,917	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	6,069	1.85	6,069	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	32,383	1.03	32,383	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2019							Note
				Shares/Face Value/Units	Carrying Value		Percentage of Ownership (Note 1)	Fair Value			
CDIB Venture Capital Corporation	i-Serve	-	Financial assets at fair value through profit or loss	2,232,219	$	157,995	4.17	$	157,995		
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000		89,852	10.23		89,852		
	Windtree Therapeutic, Inc.	-	Financial assets at fair value through profit or loss	594,552		80,731	1.85		80,731		
	iCHEF Co., Ltd.	-	Financial assets at fair value through profit or loss	11,167,513		102,501	40.74		102,501		
	4Gamers Entertainment Inc. - Preferred stock A	-	Financial assets at fair value through profit or loss	24,000		16,406	20.00		16,406		
	Viscovery (Cayman) Holding Company Limited - Preferred stock A+	-	Financial assets at fair value through profit or loss	304,878		9,473	8.20		9,473		
	Citiesocial Holding Cayman Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	479,635		15,536	18.18		15,536		
	Uimbo CV Inc.	-	Financial assets at fair value through profit or loss	1,394,145		21,750	10.29		21,750		
	CCMODA Corp. - Preferred stock	-	Financial assets at fair value through profit or loss	666,666		15,536	20.00		15,536		
	Asia Parents Holdings Limited	-	Financial assets at fair value through profit or loss	248,889		17,400	14.74		17,400		
	Kneron Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,469,072		191,535	9.50		191,535		
	Zentera Systems, Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,324,503		78,491	39.35		78,491		
	FUNP Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	400,000		44,744	20.00		44,744		
	Achieve Made International Limited - Preferred stock	-	Financial assets at fair value through profit or loss	168,138		12,429	6.67		12,429		
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	202,480		9,537	0.17		9,537		
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	5,105,377		38,663	0.20		38,663		
	CBA Sports International Ltd.- Preferred stock	-	Financial assets at fair value through profit or loss	2,402,500		10,412	13.73		10,412		
	Viscovery (Cayman) Holding Company Limited - Preferred stock A++	-	Financial assets at fair value through profit or loss	200,000		6,214	10.96		6,214		
	FunNow Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	185,184		33,922	20.00		33,922		
	4Gamers Entertainment Inc. - Preferred stock B	-	Financial assets at fair value through profit or loss	8,727		5,966	4.80		5,966		
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	5,654,616		61,038	8.66		61,038		
	Traveler Co., Ltd.	-	Financial assets at fair value through profit or loss	32,077		24,858	10.85		24,858		
	Achieve Made International Limiter-Preferred stock E	-	Financial assets at fair value through profit or loss	336,276		24,858	13.33		24,858		
	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	-		200,639	-		200,639		
	Corporate bond										
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	2,000		43,306	-		43,306		
	Convertible (exchange) corporate bond										
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	1,600,000		49,715	-		49,715		
CDIB Capital Investment I Limited	Stocks										
	Best Inc.	-	Financial assets at fair value through profit or loss	1,500,000	US$	8,265	0.39	US$	8,265		
	Casper Sleep, Inc.	-	Financial assets at fair value through profit or loss	266,690	US$	7,952	20.05	US$	7,952		
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$	3,045	11.11	US$	3,045		
	Mestay Cayman Islands Limited - Preferred stock	-	Financial assets at fair value through profit or loss	13,722,047	US$	7,826	3.40	US$	7,826		
	Viking 3 Holdings Corporation (SPV)	-	Financial assets at fair value through profit or loss	18,000,000	US$	18,000	60.00	US$	18,000		
	Giddy Inc.		Financial assets at fair value through profit or loss	666,755	US$	7,287	6.26	US$	7,287		
	Great Team Backend Foundry Inc.	-	Financial assets at fair value through profit or loss	1,636,800	US$	796	1.81	US$	796		
	Rokid Corporation Ltd	-	Financial assets at fair value through profit or loss	615,642	US$	5,000	1.51	US$	5,000		
	Fund										
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US$	128	-	US$	128		
	Ripley Cable Holdings I, L.P.	-	Financial assets at fair value through profit or loss	-	US$	907	-	US$	907		
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$	10,899	-	US$	10,899		
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US$	10,986	-	US$	10,986		
	CDIB Capital Global Opportunities Fund L.P.	Other related parties	Financial assets at fair value through profit or loss	-	US$	3,666	-	US$	3,666		
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$	8,000	-	US$	8,000		
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US$	20,007	-	US$	20,007		
	Corporate bond										
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	41,875,000	US$	7,074	-	US$	7,074		
	Convertible (exchange) corporate bond										
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	28,094,510	US$	10,862	-	US$	10,862		
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US$	4,000	-	US$	4,000		

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2019							Note
				Shares/Face Value/Units	Carrying Value		Percentage of Ownership (Note 1)	Fair Value			
SCBS 1 Holding Corporation	Stocks										
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$	3,254	2.91	US$	3,254		
CDIB Capital Investment II Limited	Stocks										
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$	2,983	2.46	US$	2,983		
	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	508,929	US$	71	0.89	US$	71		
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US$	10,768	2.88	US$	10,768		
	Indostar Everstone	-	Financial assets at fair value through profit or loss	860,332	US$	14,597	8.12	US$	14,597		
	CBA Sports International Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	2,375,000	US$	331	13.57	US$	331		
CDIB Global Markets Limited	Stocks										
	Facebook Inc.	-	Financial assets at fair value through profit or loss	575	US$	111	0.00	US$	111		
	GoPro, Inc.	-	Financial assets at fair value through profit or loss	51,878	US$	283	0.04	US$	283		
	Flemingo International (BVI) Ltd.	-	Financial assets at fair value through profit or loss	1,048	US$	48,449	50.19	US$	48,449		
	Fund										
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$	9,947	-	US$	9,947		
	GS TDN Investors Offshore, L.P.	-	Financial assets at fair value through profit or loss	-	US$	525	-	US$	525		
	CX Partners Fund Alpha Limited	-	Financial assets at fair value through profit or loss	-	US$	6,279	-	US$	6,279		
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,586	-	US$	1,586		
	Riverwood Capital Partners L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,070	-	US$	5,070		
	ECP II (Cayman) Ltd. A	-	Financial assets at fair value through profit or loss	-	US$	8,636	-	US$	8,636		
	Sino-Century China Private Equity II L. P.	-	Financial assets at fair value through profit or loss	-	US$	384	-	US$	384		
	KKR Asian Fund II L.P.	-	Financial assets at fair value through profit or loss	-	US$	8,182	-	US$	8,182		
	Carlyle Asia Partners IV, L.P.	-	Financial assets at fair value through profit or loss	-	US$	18,454	-	US$	18,454		
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$	2,054	-	US$	2,054		
	Tenaya Capital V, L.P.	-	Financial assets at fair value through profit or loss	-	US$	2,871	-	US$	2,871		
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	US$	9,018	-	US$	9,018		
	Platinum Equity Capital Partners II, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,052	-	US$	1,052		
	Industry Ventures Fund VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	2,524	-	US$	2,524		
	Platinum Equity Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	4,424	-	US$	4,424		
	Tenaya Capital VI, LP	-	Financial assets at fair value through profit or loss	-	US$	8,459	-	US$	8,459		
	Formation8 Partners Fund I, L.P.	-	Financial assets at fair value through profit or loss	-	US$	8,273	-	US$	8,273		
	Blue Point Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	7,655	-	US$	7,655		
	Riverwood Capital Partners II L.P.	-	Financial assets at fair value through profit or loss	-	US$	19,023	-	US$	19,023		
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	13,318	-	US$	13,318		

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, 2019
(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
The Corporation	Stocks													
	Taiwan Stock Exchange	Financial assets at fair value through profit or loss	-	-	18,449,638	$ 3,188 (Note 1)	-	$ -	18,449,638	$ 1,438,617	$ 3,188	$ 1,435,429	-	$ -
	CDIB Global Markets Limited	Investments accounted for using the equity method	-	-	339,392	9,142,006	-	-	-	-	2,210,017 (Note 2)	-	339,392	6,931,989
CDIB Venture Capital Corporation	Stocks													
	CDIB Venture Capital (Hong Kong) Corporation Limited	Investments accounted for using the equity method	-	-	870,000,000	3,337,455	140,000,000	550,475 (Note 3)	-	-	-	-	1,010,000,000	3,887,930
CDIB Global Markets Limited	Fund													
	Carlyle Giovanna Partners, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ 587 (Note 1)	-	-	-	US$ 14,351	US$ 587	US$ 13,764	-	-
CDIB Capital Investment I Limited	Fund													
	CDIB Capital Asia Partners L.P.	Investments accounted for using the equity method	-	-	-	US$ 88,975	-	US$ 15,338 (Note 4)	-	-	-	-	-	US$ 104,313
	CC KDC CO-INVEST LP	Financial assets at fair value through profit or loss	-	-	-	US$ -	-	US$ 20,441	-	-	-	-	-	US$ 20,441 (Note 1)
	Viking 3 Holdings Corporation (SPV)	Financial assets at fair value through profit or loss	-	-	-	US$ -	-	US$ 18,000	-	-	-	-	-	US$ 18,000 (Note 1)

Note 1: Initial acquisition cost.

Note 2: The amount include $2,799,000 thousand of capital reduction, $484,430 thousand of gain on investment and $105,453 thousand of gain on translation of foreign financial statements.

Note 3: The amount include $561,904 thousand of capital increase, $43,538 thousand of loss on investments and $32,109 thousand of gain on translation of foreign financial statements.

Note 4: The amount include $217 thousand of cash dividend, $12,509 thousand of capital increase and $3,046 thousand of gain on investments.

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2019
(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	$ 317,267 (Note 1)	-	$ -	-	$ -	$ -
	CDIB Global Markets Limited	Subsidiary	2,796,480	-	-	-	2,796,480	-
	CDIB & Partners Investment Holding Corp.	Associates	126,963	-	-	-	126,963	-
CDIB Capital International Cprporation	CDIB Capital Asia Partners L.P	Associates	223,994	-	-	-	158,029	-

Note 1: Tax receivable result from linked-tax system.

Note 2: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(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, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2019	December 31, 2018	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	$ 10,117,364 (Note 1)	$ 456,914	$ 456,914	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	610,801 (Note 1)	46,627	46,627	Subsidiary
	CDIB Global Markets Limited	Malaysia	Investment	3,035,254	5,835,154	339	100.00	6,931,989 (Note 1)	US$ 15,629	484,430	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	8,346,714 (Note 1)	US$ 12,364	383,231	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,591,554 (Note 1)	US$ 2,090	64,768	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Management company of venture fund	156,951	156,951	4,700	100.00	674,491 (Note 1)	US$ 1,889	58,552	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	5,488,115	1,887,793	541,998	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	582,500	582,500	58,250	33.29	602,548	61,522	20,478	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	504,400	582,000	50,440	33.63	521,513	43,995	17,070	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	33,729	(425)	(85)	Associates
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	4,082	US$ 8	73	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	150,000	30,000	35.71	318,422	(53,393)	Not applicable	Associates
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	4,027,704	3,465,800	1,010,000	100.00	3,887,930 (Note 1)	HK$ (11,017)	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	513,958	393,331	-	-	563,665	76,637	Not applicable	Associates
	Regent Investment Holding Corp.	Taiwan	Accommodation and food service activities	5,000	5,000	500	50.00	4,859	(193)	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	310,240 (Note 1)	HK$ 2,072	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management company of venture fund and consulting	12,000	12,000	1,200	60.00	14,934 (Note 1)	4,083	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	17,500	17,500	1,750	1.00	18,102	61,522	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	13,000	15,000	1,300	1.00	13,441	43,995	Not applicable	Associates
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	20,722	15,815	-	-	22,933	76,637	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 104,266	US$ 91,757	-	-	US$ 104,313	US$ 23,907	Not applicable	Associates
	SCBS 1 Holding Corporation	United States of America	Investment Holdings	US$ 3,578	US$ -	4	100.00	US$ 3,496	US$ (82)	Not applicable	Subsidiary
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Consulting service	US$ 2,059	US$ 2,059	15,400	100.00	US$ 5,990 (Note 1)	HK$ 2,535	Not applicable	Subsidiary
	CDIB Capital International (Korea) Corporation	Korea	Consulting service	US$ 5,270	US$ 5,270	1,848	100.00	US$ 5,820 (Note 1)	KRW123,556	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Consulting service	US$ 1,166	US$ 1,166	8,000	100.00	US$ 1,988 (Note 1)	US$ 63	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Management of private equity fund	US$ 150	-	-	100.00	US$ 70 (Note 1)	US$ (6)	Not applicable	Subsidiary

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2019
(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, 2019	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2019 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2019	Accumulated Inward Remittance of Earnings as of June 30, 2019
					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	$ 8,856	100.00	$ 8,856	$ 240,523	$ -
CDIB Private Equity (Fujian) Co., Ltd.	Management and consulting	CNY 10,000 thousand	Note 4	-	-	-	-	13,678	70.00	9,575	79,049	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(404)	70.00	(283)	39,091	-
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	(28,955)	-	(10,134)	1,655,525	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Management and consulting	CNY 7,000 thousand	Note 5	-	-	-	-	5,388	65.00	3,502	51,966	-
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(1,375)	65.00	(894)	35,407	-
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	(126,349)	-	(37,905)	1,398,587	-

Accumulated Investment in Mainland China as of June 30, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,590,988	US$335,486 thousand	$42,734,680

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: Investment amount authorized or soon authorized by Investment Commission, MOEA.

(Continued)

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

Note 5: CDIB Yida Private Equity (Kunshan) Co., Ltd. was transferred and invested by CDIB Private Equity (China) Corporation.

(Concluded)

TABLE 6

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2019

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2019	December 31, 2018	June 30, 2018	
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	Management company of venture fund	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Consulting service	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Consulting service	100.00	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Consulting service	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Management of private equity fund	100.00	100.00	100.00	
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment Holdings	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)	Management and consulting	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)	Management and consulting	56.00	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co, Ltd.	Management and consulting	65.00	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Management and consulting	70.00	70.00	70.00	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	20.00	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co, Ltd.	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	58.34	58.34	58.34	

Note: CDIB Capital Asia Partners Limited conducted registration of establishment on March 21, 2014, however, CDIB Capital International Corporation had not invested any capital as of June 30, 2018.

(Continued)

Unconsolidated subsidiaries

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2019	December 31, 2018	June 30, 2018	
The Corporation	CDIB Biotech USA Investment Co., Ltd.	Venture fund	-	-	50.00	CDIB Biotech USA Investment Co., Ltd. was approbated to liquidate by the Board of Director on April 20, 2008, therefore, CDIB Biotech USA Investment Co., Ltd. was not included in the consolidated financial statement. The company had liquidated completely in October 2018.
CDIB Capital Investment I Limited	Subicvest Inc.	Leasing	-	-	100.00	Subicvest Inc. was approbated to liquidate by the Board of Director on May 24, 2016, therefore, Subicvest was not included in the consolidated financial statement. The company had liquidated completely in October 2018.

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2019
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
0	CDIB Capital Group	CDIB Global Markets Limited	1	Other receivables	$ 2,796,480	Note 4	6.01%
1	CDIB Global Markets Limited	CDIB Capital Group	2	Other payables	2,796,480	Note 4	6.01%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	117,441	Note 4	3.66%
3	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	117,441	Note 4	3.66%

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.