CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2019 and 2018 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2019 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

CDIB CAPITAL GROUP

March 26, 2020

Deloitte.

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 Shareholder
CDIB Capital Group

Opinion

We have audited the accompanying consolidated financial statements of CDIB Capital Group (the "Corporation") and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2019 and 2018, the consolidated statements of comprehensive income, changes in equity and cash flows for the years 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 December 31, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) 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 year ended December 31, 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.

The key audit matter for the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2019 is stated as follows:

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 year ended December 31, 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 the Corporation's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operation effectiveness. We selected samples from the financial assets with no quoted market prices in an active market and we evaluated and re-performed the appropriateness of the parameters, such as the selection of comparable companies and reasonability of the financial multipliers used in the valuation models.

Other Matter

We have also audited the financial statements of the Corporation as of and for the years ended December 31, 2019 and 2018 on which we have issued an unmodified opinion thereon, respectively.

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Corporation and subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and subsidiaries' internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation and subsidiaries' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Corporation and subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 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

March 26, 2020

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

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

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019		2018	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 26)	$ 12,400,992	27	$ 16,274,078	32
Financial assets at fair value through profit or loss - current (Notes 4, 8, 26 and 28)	281,737	1	230,354	1
Other receivables (Notes 7 and 26)	723,911	2	1,109,625	2
Current tax assets (Notes 4, 24 and 26)	267,621	-	323,548	1
Other current assets	279,829	1	551,142	1
Total current assets	13,954,090	31	18,488,747	37
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10 and 28)	17,050,406	38	18,315,126	36
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 28)	108,687	-	159,214	-
Investments accounted for using the equity method (Notes 4, 9 and 10)	12,457,142	27	11,619,351	23
Property and equipment (Notes 4 and 11)	527,058	1	780,626	2
Right-of-use assets (Notes 4 and 12)	109,433	-	-	-
Investment properties (Notes 4 and 13)	1,064,631	2	849,456	2
Other non-current assets (Notes 4, 14 and 24)	226,743	1	214,925	-
Total non-current assets	31,544,100	69	31,938,698	63
TOTAL	$ 45,498,190	100	$ 50,427,445	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Other payables (Note 15)	$ 838,612	2	$ 876,022	2
Current tax liabilities (Notes 4, 24 and 26)	673,302	2	544,515	1
Lease liabilities - current (Notes 4 and 12)	48,668	-	-	-
Other current liabilities (Note 26)	107,452	-	88,326	-
Total current liabilities	1,668,034	4	1,508,863	3
NON-CURRENT LIABILITIES				
Provisions - non-current (Notes 4, 16 and 17)	146,715	-	152,045	-
Deferred tax liabilities (Notes 4, 24)	345,775	1	452,022	1
Lease liabilities - non-current (Notes 4 and 12)	61,275	-	-	-
Other non-current liabilities (Notes 18, 26 and 29)	509,543	1	541,125	1
Total non-current liabilities	1,063,308	2	1,145,192	2
Total liabilities	2,731,342	6	2,654,055	5
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 19)				
Capital	20,411,159	45	20,411,159	41
Capital surplus	590,409	1	589,866	1
Retained earnings				
Legal reserve	18,525,309	41	21,525,309	43
Special reserve	395,150	1	667,434	1
Unappropriated earnings	2,226,807	5	4,041,723	8
Other equity				
Exchange differences on translation of foreign financial statements	(1,573,280)	(4)	(1,016,683)	(2)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	2,096,789	5	1,467,282	3
Total equity attributable to owners of the parent	42,672,343	94	47,686,090	95
NON-CONTROLLING INTERESTS	94,505	-	87,300	-
Total equity	42,766,848	94	47,773,390	95
TOTAL	$ 45,498,190	100	$ 50,427,445	100

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OPERATING REVENUE					
Dividend income (Note 4)	$ 195,928	6	$ 428,081	12	(54)
Share of profit (loss) of associates and joint ventures (Notes 4 and 9)	444,143	13	(545,865)	(16)	181
Gain (loss) on financial assets measured at fair value through profit or loss (Notes 4 and 20)	2,054,323	61	2,941,604	84	(30)
Consulting service revenue (Note 26)	691,768	20	644,266	19	7
Other operating revenue	13,670	-	16,957	1	(19)
Total operating revenue	3,399,832	100	3,485,043	100	(2)
GROSS PROFIT	3,399,832	100	3,485,043	100	(2)
OPERATING EXPENSES (Notes 4, 21, 22 and 26)	1,493,121	44	1,347,439	39	11
PROFIT FROM OPERATIONS	1,906,711	56	2,137,604	61	(11)
NON-OPERATING INCOME AND EXPENSES					
Foreign exchange gain, net	8,291	-	51,540	2	(84)
Interest income (Notes 4 and 26)	195,794	6	206,107	6	(5)
Interest expenses	(1,539)	-	(427)	-	260
Other gains and losses (Notes 23 and 26)	138,152	4	175,744	5	(21)
Total non-operating income and expenses	340,698	10	432,964	13	(21)
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,247,409	66	2,570,568	74	(13)
INCOME TAX EXPENSE (Notes 4 and 24)	(3,096)	-	(244,208)	(7)	(99)
NET PROFIT FOR THE YEAR	2,244,313	66	2,326,360	67	(4)

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss, net of income tax					
Remeasurement of defined benefit plans	$ (5,072)	-	$ (32)	-	15,750
Share of the other comprehensive income (loss) of associates and joint ventures	629,912	18	(210,062)	(6)	400
Items that will be reclassified subsequently to profit or loss, net of income tax					
Exchange differences on translation of financial statements of foreign operations	(456,655)	(13)	523,289	15	(187)
Loss on debt instruments measured at fair value through other comprehensive income	(415)	-	(1,198)	-	(65)
Share of the other comprehensive income (loss) of associates and joint ventures	(102,932)	(3)	127,651	3	(181)
Other comprehensive income for the year, net of income tax	64,838	2	439,648	12	(85)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,309,151	68	$ 2,766,008	79	(17)
NET PROFIT ATTRIBUTABLE TO:					
Shareholder of parent company	$ 2,231,889	66	$ 2,311,401	66	(3)
Non-controlling interests	12,424	-	14,959	1	(17)
	$ 2,244,313	66	$ 2,326,360	67	(4)

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2019		2018		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholder of parent company	$ 2,299,717	68	$ 2,753,083	79	(16)
Non-controlling interests	9,434	-	12,925	-	(27)
	$ 2,309,151	68	$ 2,766,008	79	(17)
EARNINGS PER SHARE (Note 25)					
Basic	$1.09		$1.13		

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(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 Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Gain (Loss) 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											
Reversal of special reserve	-	-	-	(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)
Cash dividends distributed from capital surplus	-	(4,100,000)	-	-	-	-	-	-	(4,100,000)	-	(4,100,000)
Cash dividends distributed from legal reserve	-	-	(900,000)	-	-	-	-	-	(900,000)	-	(900,000)
Net profit for the year ended December 31, 2018	-	-	-	-	2,311,401	-	-	-	2,311,401	14,959	2,326,360
Other comprehensive income (loss) for the year ended December 31, 2018, net income tax	-	-	-	-	(166)	652,974	(211,126)	-	441,682	(2,034)	439,648
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	2,311,235	652,974	(211,126)	-	2,753,083	12,925	2,766,008
Share-based payments	-	1,605	-	-	-	-	-	-	1,605	-	1,605
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,104)	(14,104)
BALANCE AT DECEMBER 31, 2018	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											
Reversal of special reserve	-	-	-	(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 dividends distributed from legal reserve	-	-	(3,000,000)	-	-	-	-	-	(3,000,000)	-	(3,000,000)
Net profit for the year ended December 31, 2019	-	-	-	-	2,231,889	-	-	-	2,231,889	12,424	2,244,313
Other comprehensive income (loss) for the year ended December 31, 2019, net income tax	-	-	-	-	(5,082)	(556,597)	629,507	-	67,828	(2,990)	64,838
Total comprehensive income (loss) for the year ended December 31, 2019	-	-	-	-	2,226,807	(556,597)	629,507	-	2,299,717	9,434	2,309,151
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	(303)	-	-	-	-	-	-	(303)	-	(303)
Share-based payment	-	846	-	-	-	-	-	-	846	-	846
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,229)	(2,229)
BALANCE AT DECEMBER 31, 2019	$ 20,411,159	$ 590,409	$ 18,525,309	$ 395,150	$ 2,226,807	$ (1,573,280)	$ 2,096,789	$ -	$ 42,672,343	$ 94,505	$ 42,766,848

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 2,247,409	$ 2,570,568
Adjustments for reconciliation of net profit		
Depreciation expenses	93,346	53,291
Amortization expenses	9,085	16,880
Net gain on financial assets at fair value through profit or loss	(2,054,323)	(2,941,604)
Interest expense	1,539	427
Interest income	(195,794)	(206,107)
Dividend income	(195,928)	(428,081)
Share of (profit) loss of associates and joint ventures	(444,143)	545,865
Others	(98,400)	(55,303)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	3,802,455	14,764,304
Other receivables	323,449	(754,641)
Other current assets	28,142	(274,932)
Other operating assets	217,863	(229,776)
Other payables	241,888	(26,630)
Other current liabilities	12,203	(8,579)
Other operating liabilities	(35,110)	(6,114)
Cash generated from operations	3,953,681	13,019,568
Interest received	197,397	167,982
Dividend received	397,148	860,739
Interest paid	(1,918)	(251)
Income tax paid	(30,853)	(90,758)
Net cash generated from operating activities	4,515,455	13,957,280
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	50,012	-
Acquisition of financial assets designated as at fair value through profit or loss	(745,154)	(142,972)
Acquisition of investments accounted for using equity method	(266,457)	(176,360)
Proceeds from disposal of property and equipment	-	98,800
Others	(5,349)	70,807
Net cash used in investing activities	(966,948)	(149,725)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(52,246)	-
Cash dividends paid	(4,314,007)	(5,492,896)
Cash dividends distributed from capital surplus and legal reserve	(3,000,000)	(5,000,000)
Net cash used in financing activities	(7,366,253)	(10,492,896)

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars)

	2019	2018
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	$ (55,340)	$ 176,221
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,873,086)	3,490,880
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16,274,078	12,783,198
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 12,400,992	$ 16,274,078

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and were authorized for issue on March 26, 2020.

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 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 any 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.

Definition of a lease

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.

The Corporation and subsidiaries as lessee

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 for practical expediency.

The lessee's weighted average 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 IFRS 9, IAS 39 and IFRS 7 "Interest Rate Benchmark Reform"	January 1, 2020 (Note 2)
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

Note 1: The Group 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 Group shall apply these amendments retrospectively for annual reporting periods beginning on or after January 1, 2020.

Note 3: The Group 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
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2022

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

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

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

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

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the 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 IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

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

Principles for Preparing Consolidation Financial Statements

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

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

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

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

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

b. Assets expected to be realized within 12 months after the reporting period; and

c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and

c. Liabilities for which the Corporation and subsidiaries do not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

Foreign Currencies

The Corporation recognizes foreign-currency transactions in the respective currencies in which they are denominated, while the subsidiaries recognize at the rates of exchange prevailing at the dates of the transactions. Foreign-currency gains or losses of the Corporation are recorded in New Taiwan dollars using the prevailing rates at the time of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Nonmonetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising are recognized in profit or loss in the year occurred. Except for exchange differences arising on the retranslation of nonmonetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Nonmonetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Corporation's foreign operations (including subsidiaries and associates in other countries that use currencies which are different from the currency of the Corporation) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the year. Exchange differences arising are recognized in other comprehensive income (attributed to the shareholder of the parent company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Corporation and subsidiaries' entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Corporation and subsidiaries losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Cash Equivalents

Cash equivalents include time deposits that can be terminated on demand without reducing principal, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments in Associates

An associate is an entity over which the Corporation and subsidiaries have significant influence and that is not a subsidiary.

The Corporation and subsidiaries use the equity method or measure at fair value through profit or loss to account for their investments in associates.

Under the equity method, an investment in an associate is initially recognized at cost and adjusted thereafter to recognize the Corporation and subsidiaries' share of the profit or loss and other comprehensive income of the associate. The Corporation and subsidiaries also recognize the changes in the Corporation and subsidiaries' share of equity of associates.

Any excess of the cost of acquisition over the Corporation and subsidiaries' share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Corporation and subsidiaries' share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Corporation and subsidiaries subscribe for additional new shares of the associate and joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation and subsidiaries' proportionate interest in the associate and joint venture. The Corporation and subsidiaries record such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Corporation and subsidiaries' share of equity of associates and joint ventures. If the Corporation and subsidiaries' ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Corporation and subsidiaries' share of losses of an associate equals or exceeds its interest in that associate (which includes any carrying amount of the investment accounted for by the equity method and long-term interests that, in substance, form part of the Corporation and subsidiaries' net investment in the associate), the Corporation and subsidiaries' discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Corporation and subsidiaries have incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Corporation and subsidiaries discontinue the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Corporation and subsidiaries account for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities.

When the Corporation and subsidiaries transact with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation and subsidiaries' consolidated financial statements only to the extent of interests in the associate that are not related to the Corporation and subsidiaries.

Investments in associates measured at fair value through profit or loss are recognized as financial assets at fair value through profit or loss and the change in fair value is recognized in profit or loss.

Financial Instruments

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

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

Financial assets and liabilities

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

a. Measurement categories

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

1) Financial assets at FVTPL

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

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends earned and remeasurement gains or losses on such financial assets are recognized in operating revenue. Fair value is determined in the manner described in Note 28.

2) Financial assets at amortized cost

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

a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

3) Investments in debt instruments at FVTOCI

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

a) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

b) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

b. Impairment of financial assets

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

For the financial instruments, the Corporation and subsidiaries recognize lifetime Expected Credit Loss (i.e. ECLs) when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Corporation and subsidiaries measure the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

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

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

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

c. Impairment of financial assets

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

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

Equity instruments

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

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

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

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and accumulated impairment loss when it is probable that future economic benefits associated with the item will flow to the Corporation and subsidiaries and the cost of the item can be measured reliably.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

Investment Properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

Nonfinancial Asset Impairment

The Corporation and subsidiaries evaluate the possibility of impairment loss on nonfinancial assets as of the balance sheet date. If there is sufficient objective evidence of asset impairment, the Corporation and subsidiaries recognize an impairment loss whenever the recoverable amount of the asset or the cash-generating unit is below its carrying amount, and this impairment loss either is charged to accumulated impairment or reduces the carrying amount of an asset directly. After the recognition of an impairment loss, the depreciation (amortization) charged to the assets should be adjusted in future years at the revised asset carrying amount (net of accumulated impairment), less its salvage value, on a systematic basis over its remaining service life. If asset impairment loss (excluding goodwill) is reversed, the increase in the carrying amount resulting from reversal is credited to current income and debited to accumulated impairment or is used to increase the carrying amount of the asset. However, loss reversal should not be more than the carrying amount (net of depreciation) had the impairment not been recognized.

Provisions, Contingent Liabilities and Contingent Assets

Provisions are recognized when the Corporation and subsidiaries have a present obligation (legal or constructive) as a result of a past event, it is probable that the Corporation and subsidiaries will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (where the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity, or a present obligation that arises from past events but is not recognized because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or because the amount of the obligation cannot be measured with sufficient reliability. The Corporation and subsidiaries do not recognize contingent liabilities but disclose them in accordance with related rules instead.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the entity. The Corporation and subsidiaries do not recognize contingent assets but disclose them in accordance with related rules when the inflow of economic benefits is probable.

Employee Benefits

a. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

b. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

   Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

   Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Corporation and Subsidiaries' defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current tax

According to the Income Tax Law, an additional tax of unappropriated earnings is provided in the year the shareholder approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

Since 2003, CDFH and its qualified subsidiaries, including the Corporation, have used the linked-tax system for income tax filings. Under this system, the Corporation adjusts the deferred tax assets (liabilities), income tax payable (receivable) and income tax expense (profit) on a systematic and consistent basis.

Based on the "Basic Income Tax Act," if the basic income tax is greater than the amount of regular income tax, the income tax payable should be the basic income tax. The incremental tax payable is recorded as current income tax expense.

b. Deferred tax

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards and unused tax credits acquisition to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Corporation and subsidiaries are able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Corporation and subsidiaries expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

c. Current and deferred tax for the year

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity respectively.

Revenue Recognition

Dividend income from investments is recognized when a shareholder's right to receive payment has been established and provided that it is probable that the economic benefits will flow to the Corporation and the subsidiaries and that the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Corporation and the subsidiaries and the amount of income can be measured reliably. Interest income is accrued on a time basis by reference to the carrying amount and at the applicable effective interest rate.

Leases

2019

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 fixed 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.

2018

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.

a. The Corporation and subsidiaries as lessor

   Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and amortized on a straight-line basis over the lease term.

b. The Corporation and subsidiaries as lessee

   Contingent rentals are recognized as expenses in the period in which they are incurred.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

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

Management uses valuation model or refers to the available quotations from other financial institutions in determining the fair value of financial products 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

	December 31	
	2019	2018
Cash on hand	$ 27	$ 28
Checking accounts and demand deposits	2,622,900	1,200,497
Cash equivalent		
Short-term notes	1,467,653	1,706,181
Time deposits	8,310,412	13,367,372
	$ 12,400,992	$ 16,274,078

7. OTHERS RECEIVABLES

	December 31 2019	December 31 2018
Receivable from securities sold	$ 442,829	$ 810,113
Interest receivable	156,539	158,142
Accrued incomes	83,894	85,975
Others	40,649	55,395
	$ 723,911	$ 1,109,625

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

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

	December 31 2019	December 31 2018
Financial assets mandatorily classified as at FVTPL		
Nonderivative financial instrument		
Open-ended funds	$ 281,737	$ 230,354

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

	December 31 2019	December 31 2018
Financial assets mandatorily classified as at FVTPL		
Nonderivative financial instrument		
Stocks	$ 9,362,060	$ 10,942,978
Partnership funds	5,309,881	6,083,712
Others	798,319	714,372
	15,470,260	17,741,062
Financial assets designated as at FVTPL		
Associates	1,580,146	574,064
Financial assets at FVTPL	$ 17,050,406	$ 18,315,126

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates That Are Not Individually Material

	December 31	
	2019	2018
Unlisted companies		
CDIB & Partners Investment Holding Corporation	$ 5,585,664	$ 4,575,742
CDIB Capital Asia Partners L.P.	2,833,332	2,734,469
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	1,525,410	1,648,309
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,331,616	1,421,496
CDIB Capital Health Ventures Limited	563,209	599,556
CDIB Capital Creative Industries Limited	532,409	597,044
Others	85,502	42,735
	$ 12,457,142	$ 11,619,351

As of December 31, 2019 and 2018, associates that are not individually material listed on financial assets designated as at FVTPL were $1,580,146 thousand and $574,064 thousand, respectively.

Summary of Associates That Are Not Individually Material

	For the Year Ended December 31	
	2019	2018
Share of the Corporation and subsidiaries		
Net income (loss)	$ 466,592	$ (538,263)
Other comprehensive income (loss)	529,110	(71,537)
Total comprehensive income (loss) for the year	$ 995,702	$ (609,800)

The Corporation and subsidiaries' investments in CDIB Capital Asia Partners L.P., which are accounted for using equity method, and related share of earnings and other comprehensive income were not determined based on their respective audited financial statements. As for the investments in other associates, they were accounted for based on the audited financial statements. The Corporation's management believed that using the unaudited financial statements to account for its investments in CDIB Capital Asia Partners L.P. will not have significant impact on the Corporation's consolidated financial statements.

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

10. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Partnership funds investment

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

	December 31	
	2019	2018
Partnership funds investment		
Financial assets at FVTPL	$ 5,309,881	$ 6,083,712
Maximum exposure	5,309,881	6,083,712

b. Partnership funds management

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

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

	December 31	
	2019	**2018**
Partnership funds management		
Total assets	$ 24,475,759	$ 22,431,078
Total liabilities	173,055	102,172
Investments accounted for using equity method	5,690,358	5,804,274
Financial assets designated as at FVTPL	1,258,060	429,846
Maximum exposure	6,948,418	6,234,120

11. PROPERTY AND EQUIPMENT

	December 31	
	2019	**2018**
Land	$ 325,894	$ 524,135
Buildings and facilities	181,802	235,596
Computer equipment	9,419	7,559
Transportation equipment	7	20
Other equipment	4,952	7,134
Leasehold improvements	4,791	6,182
	526,865	780,626
Prepayments for acquisition of properties	193	-
	$ 527,058	$ 780,626

	Land	Buildings and Facilities	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Acquisition of Properties	Total
Cost								
Balance at January 1, 2018	$ 645,703	$ 703,216	$ 31,597	$ 68	$ 48,107	$ 28,995	$ -	$ 1,457,686
Additions	-	1,230	1,227	-	430	1,104	525	4,516
Disposal	(23,871)	(57,892)	(6,410)	-	(9,431)	(385)	-	(97,989)
Reclassification	(47,385)	(70,706)	(1,628)	-	1,628	-	(525)	(118,616)
Effect of exchange rate changes	-	-	2,250	-	(2,099)	(118)	-	33
Balance at December 31, 2018	574,447	575,848	27,036	68	38,635	29,596	-	1,245,630
Accumulated depreciation and impairment								
Balance at January 1, 2018	(50,312)	(378,901)	(20,252)	(34)	(38,120)	(18,619)	-	(506,238)
Additions	-	(18,605)	(4,858)	(14)	(3,348)	(5,045)	-	(31,870)
Disposal	-	42,820	6,383	-	9,308	96	-	58,607
Reclassification	-	14,434	661	-	(661)	-	-	14,434
Effect of exchange rate changes	-	-	(1,411)	-	1,320	154	-	63
Balance at December 31, 2018	(50,312)	(340,252)	(19,477)	(48)	(31,501)	(23,414)	-	(465,004)
Balance at December 31, 2018, net	$ 524,135	$ 235,596	$ 7,559	$ 20	$ 7,134	$ 6,182	$ -	$ 780,626

(Continued)

	Land	Buildings and Facilities	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvements	Prepayments for Acquisition of Properties	Total
Cost								
Balance at January 1, 2019	$ 574,447	$ 575,848	$ 27,036	$ 68	$ 38,635	$ 29,596	$ -	$ 1,245,630
Additions	-	848	5,894	-	693	485	193	8,113
Disposal	-	(1,597)	(4,274)	-	(4,130)	-	-	(10,001)
Reclassification	(198,241)	(96,526)	-	-	-	-	-	(294,767)
Effect of exchange rate changes	-	-	(304)	-	(334)	(825)	-	(1,463)
Balance at December 31, 2019	376,206	478,573	28,352	68	34,864	29,256	193	947,512
Accumulated depreciation and impairment								
Balance at January 1, 2019	$ (50,312)	$ (340,252)	$ (19,477)	$ (48)	$ (31,501)	$ (23,414)	$ -	$ (465,004)
Additions	-	(14,341)	(3,946)	(13)	(2,836)	(1,829)	-	(22,965)
Disposal	-	1,597	4,261	-	4,127	-	-	9,985
Reclassification	-	56,225	-	-	-	-	-	56,225
Effect of exchange rate changes	-	-	229	-	298	778	-	1,305
Balance at December 31, 2019	(50,312)	(296,771)	(18,933)	(61)	(29,912)	(24,465)	-	(420,454)
Balance at December 31, 2019, net	$ 325,894	$ 181,802	$ 9,419	$ 7	$ 4,952	$ 4,791	$ 193	$ 527,058

(Concluded)

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

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Computer equipment	4-8 years
Transportation equipment	5 years
Other equipment	
Office furniture and equipment	5-8 years
Others	5 years
Leasehold improvements	1-3 years

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

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2019
Carrying amounts	
Buildings and facilities	$ 107,462
Computer equipment	1,760
Transportation equipment	211
	$ 109,433

	For the Year Ended December 31, 2019
Additions to right-of-use assets	$ 98,131
Depreciation of right-of-use assets	
Buildings and facilities	$ 46,498
Computer equipment	235
Transportation equipment	281
	$ 47,014

b. Lease liabilities

	December 31, 2019
Carrying amounts	
Current	$ 48,668
Non-current	$ 61,275

Range of discount rate for lease liabilities were as follows:

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

The maturity analysis of lease liabilities were as follows:

	December 31, 2019
Not later than 1 year	$ 49,220
Later than 1 year and not later than 5 years	61,794
	$ 111,014

c. Material lease-in activities and terms

The Corporation and subsidiaries lease buildings and facilities, computer equipment and transportation equipment with lease terms of 1 to 5 years.

d. Other lease information

Lease arrangements under operating leases for the leasing out of investment properties and freehold property, plant and equipment for the Corporation and subsidiaries, please refer to Note 13.

	For the Year Ended December 31, 2019
Expenses relating to short-term leases	$ 19,918
Leases of low-value assets	$ 110
Total cash outflow for leases	$ 67,224

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

	December 31	
	2019	2018
Land	$ 805,834	$ 607,592
Buildings and facilities	258,797	241,864
	$ 1,064,631	$ 849,456

The changes in the Corporation and subsidiaries' investment properties were as follows:

	For the Year Ended December 31	
	2019	2018
Cost		
Beginning balance	$ 1,130,518	$ 1,012,427
Reclassification	294,767	118,091
Ending balance	1,425,285	1,130,518
Accumulated depreciation		
Beginning balance	(281,062)	(245,206)
Additions	(23,367)	(21,421)
Reclassification	(56,225)	(14,435)
Ending balance	(360,654)	(281,062)
Carrying amount	$ 1,064,631	$ 849,456

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

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

The fair values of the Corporation and subsidiaries' investment properties as of December 31, 2019 and 2018 were $5,580,160 thousand and $4,310,577 thousand, respectively.

The fair values of investment properties as of December 31, 2019 and 2018 were not assessed by an independent appraiser; instead, the fair values were based on an external valuation report as of the year 2017. After evaluating, the Corporation and subsidiaries determined that the fair values reported as at December 31, 2019 and 2018 were still valid, and the fair values of the investment properties were measured at Level 3 inputs. Sales comparison approach and income approach were used in the valuation report as of 2017. The sales comparison approach is based on the transaction and proposed prices of comparable properties which have been recently sold, while in the income approach, fair value is calculated by taking the net operating income of the rent collected and dividing it by the capitalization rate.

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

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

	December 31, 2019
Year 1	$ 49,147
Year 2	13,917
Year 3	3,930
Year 4	3,815
Year 5	3,240
Year 5 onwards	5,940
	$ 79,989

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

	Estimated Useful Lives
Buildings and facilities	5-50 years

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

14. OTHER NON-CURRENT ASSETS

	December 31	
	2019	2018
Restricted assets	$ 123,132	$ 120,162
Guarantee deposits paid	67,181	68,795
Computer software	7,157	14,603
Others	29,273	11,365
	$ 226,743	$ 214,925

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

	December 31	
	2019	2018
Accrued expenses	$ 759,264	$ 753,850
Others	79,348	122,172
	$ 838,612	$ 876,022

16. PROVISIONS - NON-CURRENT

	December 31	
	2019	2018
Provisions for employee benefits	$ 143,714	$ 148,951
Others	3,001	3,094
	$ 146,715	$ 152,045

17. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. The total expenses recognized in profit or loss for the years ended December 31, 2019 and 2018 were $10,286 thousand and $10,373 thousand, respectively.

The Corporation’s foreign subsidiaries adopted the defined contribution pension plans, and they recognized their contributions as pension expenses amounting to $6,445 thousand and $5,179 thousand for the years ended December 31, 2019 and 2018, respectively.

b. Defined benefit plans

The Corporation and domestic subsidiaries adopted a defined benefit pension plan for all formal employees based on the Labor Standards Act. Benefit payments are based on service periods and basic salaries and wages at the time of retirement.

Under the defined benefit plan, the Corporation has made monthly contributions at 13% of salaries and wages to a pension fund. In February 2006, the Corporation changed the contribution rate from 13% to 4.5% and then further adjusted the contribution rate from 4.5% to 3.14% in November 2008. The fund is managed by the Employees' Pension Reserve Supervisory Committee and deposited in the Corporation of Taiwan in the committee's name. Before the end of each year, The Corporation assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Corporation is required to fund the difference in one appropriation that should be made before the end of March of the next year.

The amounts included in the consolidated balance sheets in respect of the Corporation and subsidiaries' defined benefit plans were as follows:

	December 31	
	2019	**2018**
Present value of defined benefit obligation	$ 469,074	$ 477,942
Fair value of plan assets	(328,810)	(332,394)
Net defined benefit liabilities	$ 140,264	$ 145,548

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities (Assets)**
Balance at January 1, 2018	$ 487,924	$ (329,347)	$ 158,577
Current service cost	2,516	-	2,516
Net interest expense (income)	4,478	(3,026)	1,452
Recognized in profit or loss	6,994	(3,026)	3,968
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,250)	(10,250)
Actuarial loss - changes in financial assumptions	1,900	-	1,900
Actuarial loss - experience adjustments	8,382	-	8,382
Recognized in other comprehensive income	10,282	(10,250)	32
Contributions from the employer	-	(17,029)	(17,029)
Benefits paid	(27,258)	27,258	-
Balance at December 31, 2018	477,942	(332,394)	145,548
Current service cost	2,236	-	2,236
Net interest expense (income)	4,182	(2,916)	1,266
Recognized in profit or loss	6,418	(2,916)	3,502

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	$ -	$ (12,415)	$ (12,415)
Actuarial loss - changes in financial assumptions	7,029	-	7,029
Actuarial gain - experience adjustments	10,458	-	10,458
Recognized in other comprehensive income	17,487	(12,415)	5,072
Contributions from the employer	-	(13,858)	(13,858)
Benefits paid	(32,773)	32,773	-
Balance at December 31, 2019	$ 469,074	$ (328,810)	$ 140,264

(Concluded)

Through the defined benefit plans under the Labor Standards Law, the Corporation and subsidiaries is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2019	2018
Discount rate(s)	0.70%	0.90%
Expected rate(s) of salary increase	2.50%	2.50%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31	
	2019	2018
Discount rate(s)		
0.25% increase	$ (8,761)	$ (9,387)
0.25% decrease	$ 9,024	$ 9,678
Expected rate(s) of salary increase		
0.25% increase	$ 7,937	$ 8,531
0.25% decrease	$ (7,748)	$ (8,320)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2019	2018
Expected contributions to the plans for the next year	$ 10,405	$ 9,617
Average duration of the defined benefit obligation	7.60-9.36 years	8.00-10.21 years

18. OTHER NON-CURRENT LIABILITIES

	December 31	
	2019	2018
Other financial liabilities	$ 373,788	$ 381,410
Guarantee deposits received	36,131	29,167
Others	99,624	130,548
	$ 509,543	$ 541,125

19. EQUITY

a. Capital

Common stock

	December 31	
	2019	2018
Number of shares authorized (in thousands)	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,041,116	2,041,116
Shares issued	$ 20,411,159	$ 20,411,159

b. Capital surplus

	December 31	
	2019	2018
Arising from issuance of common shares	$ 477,409	$ 477,409
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845
Arising from share of changes in capital surplus of associates	2,866	3,169
Share-based payments awards	11,269	10,423
Arising from donations	20	20
	$ 590,409	$ 589,866

The premium from shares issued in excess of par (share premium from issuance of common shares, treasury share transactions, and excess of the consideration received over the carrying amount of the subsidiaries' net assets during disposal or acquisition) and donations may be used to offset a deficit; in addition, when the Corporation has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital limited to a certain percentage of the Corporation's capital surplus and once a year.

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

c. Special reserve

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

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

d. Appropriation of earnings

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

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

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

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

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

Appropriation of the 2018 and 2017 earnings were approved by the board of directors on behalf of the shareholder on May 27, 2019 and May 28, 2018, respectively; the amounts 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 March 26, 2020, the board of directors estimated the appropriation of the 2019 earnings as follows:

	2019
Legal reserve	$ 222,681
Cash dividends (NT$0.98 per share)	2,004,126

Appropriation of the earnings for the year 2019 is waiting for approval by the Corporation's board of directors on behalf of the shareholder's meeting.

On March 26, 2020, the Corporation's board of directors approved on behalf of the shareholder's meeting, the distribution of cash dividends of $2,000,000 thousand arising from legal reserve to shareholder in accordance with Article 241 of the Company Act.

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

On July 30, 2018, the Corporation's board of directors approved on behalf of the shareholder's 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 Year Ended December 31	
	2019	2018
Partnership Funds	$ 1,040,150	$ 1,603,412
Stock	900,647	1,350,674
Others	113,526	(12,482)
	$ 2,054,323	$ 2,941,604

21. DEPRECIATION AND AMORTIZATION

	For the Year Ended December 31	
	2019	2018
Property and equipment	$ 22,965	$ 31,870
Right-of-use asset	47,014	-
Investment property	23,367	21,421
Other non-current assets	9,085	16,880
	$ 102,431	$ 70,171

(Continued)

	For the Year Ended December 31	
	2019	2018
An analysis of depreciation by function		
Operating expenses	$ 69,979	$ 31,870
Non-operating expenses	23,367	21,421
	$ 93,346	$ 53,291
An analysis of amortization by function		
Operating expenses	$ 9,085	$ 16,880

(Concluded)

22. EMPLOYEE BENEFITS

	For the Year Ended December 31	
	2019	2018
Employee benefit expense		
Salaries and wages	$ 877,064	$ 781,955
Employee insurance	39,912	36,695
Pension	20,233	19,520
Others	64,540	57,327
	$ 1,001,749	$ 895,497
An analysis by function		
Operating expense	$ 1,001,749	$ 895,497

To comply with the Company Act, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved by the board of directors which was authorized to assume the function of the shareholder's meeting to distribute the compensation of employees at the rates no less than 1% of net profit before paying income tax and the compensation of employees. However, if the Corporation had incurred cumulative losses, the profit should be used to offset the losses. For the years ended December 31, 2019 and 2018, the compensation of employees was $22,000 thousand and $26,000 thousand approved by the board of directors on March 26, 2020 and March 25, 2019, respectively.

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

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

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

23. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2019	**2018**
Rent revenue	$ 142,932	$ 112,815
Other revenue	19,101	85,518
Other loss	(23,881)	(22,589)
	$ 138,152	$ 175,744

24. INCOME TAX

a. Income tax expense

	For the Year Ended December 31	
	2019	**2018**
Current income tax		
Current period	$ (151,123)	$ (350,702)
Adjustments for prior year	41,936	12,602
	(109,187)	(338,100)
Deferred income tax	106,091	93,892
Income tax expense	$ (3,096)	$ (244,208)

The reconciliation of accounting income and income tax expense adjustments were as follows:

	For the Year Ended December 31	
	2019	**2018**
Income tax expenses at the statutory rate	$ (613,069)	$ (584,574)
Permanent differences	764,458	679,298
Prior year's adjustments	41,782	12,591
Additional income tax under the Alternative Minimum Tax Act	(54,819)	(210,479)
Unrecognized temporary differences	(119,666)	(141,044)
Others	(21,782)	-
Income tax expenses	$ (3,096)	$ (244,208)

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

	December 31	
	2019	**2018**
Tax charged from the parent company	$ 211,214	$ 317,267
Tax paid to the parent company	$ 515,983	$ 523,096

c. Deferred tax assets and liabilities

	December 31	
	2019	2018
Deferred tax assets		
Others	$ 470	$ 635
Deferred tax liabilities		
Land value increment tax	$ 241,555	$ 241,555
Unrealized gain or loss on financial instruments	104,220	210,467
	$ 345,775	$ 452,022

d. Unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2019	2018
Loss carryforwards		
Expiry in 2021	$ 215,144	$ 380,488

e. Income tax assessments

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

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

Income tax returns of CDIB Capital Management Corp. through 2017 had been examined by the tax authorities. Except for 2015, income tax returns of CDIB venture Capital Corporation through 2016 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 year ended December 31, 2019			
Net profit attributable to shareholder of parent company	$ 2,231,889	2,041,116	$ 1.09
For the year ended December 31, 2018			
Net profit attributable to shareholder of parent company	$ 2,311,401	2,041,116	$ 1.13

26. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. and subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company
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.	Associate
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	%
December 31, 2019		
KGI Commercial Bank Co., Ltd.	$ 6,097,400	49
Subsidiary of the parent company	26,412	-
December 31, 2018		
KGI Commercial Bank Co., Ltd.	6,716,447	41
Subsidiary of the parent company	54,030	-

For the years ended December 31, 2019 and 2018, the interest revenues from cash in bank were $33,283 thousand and $38,629, thousand, respectively.

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

	Amount	%
December 31, 2019		
KGI Securities Co., Ltd. and subsidiaries	$ 281,737	100
December 31, 2018		
KGI Securities Co., Ltd. and subsidiaries	230,354	100

c. Accrued incomes (recognized as other receivables)

	Amount	%
December 31, 2019		
Associate	$ 49,829	7
Other related parties	32,631	5
December 31, 2018		
Subsidiary of the parent company	4,610	-
Associate	81,157	7
Other related parties	48	-

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

	Amount	%
December 31, 2019		
Subsidiary of the parent company	$ 46,281	6
December 31, 2018		
GOF 2 QT Holdings LLC	279,495	25
GOF 1 SC Holdings LLC	180,017	16

e. Other receivables - others

	Amount	%
December 31, 2019		
Associate	$ 25,744	4
December 31, 2018		
Associate	39,845	4

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

	December 31			
	2019		2018	
	Amount	%	Amount	%
Parent company	$ 211,214	79	$ 317,267	98

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

g. Purchase and sale of securities

	Amount
For the year ended December 31, 2018	
Other related parties	$ 510,569

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

	December 31			
	2019		2018	
	Amount	%	Amount	%
Parent company	$ 515,983	77	$ 523,096	96

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

i. Advance receipts (recognized as other current liabilities)

	Amount	%
December 31, 2019		
KGI Commercial Bank Co., Ltd.	$ 12,104	11
CDIB Capital Growth Partners L.P.	30,412	28
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	20,906	19
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	31,347	29
Subsidiary of the parent company	299	-
Other related parties	534	-
December 31, 2018		
KGI Commercial Bank Co., Ltd.	10,094	11
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	21,520	24
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	34,579	39
Subsidiary of the parent company	299	-
Other related parties	534	1

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

	Amount	%
December 31, 2019		
Parent company	$ 4,104	1
Subsidiary of the parent company	23,549	5
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	-

k. Consulting service revenues

		Amount	%
For the year ended December 31, 2019			
CDIB Capital Asia Partners L.P	$	211,554	31
CDIB Capital Growth Partners L.P.		86,413	12
CDIB Capital Global Opportunities Fund L.P.		83,311	12
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		80,860	12
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		63,173	9
Subsidiary of the parent company		18,782	3
Other related parties		100,260	14
For the year ended December 31, 2018			
CDIB Capital Asia Partners L.P		240,906	37
CDIB Capital Growth Partners L.P.		98,100	15
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		86,067	13
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		64,551	10
Subsidiary of the parent company		18,346	3
Other related parties		70,911	11

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

		Amount	%
For the year ended December 31, 2019			
KGI Commercial Bank Co., Ltd.	$	90,461	63
Parent company		32,836	23
Subsidiary of the parent company		3,670	3
Other related parties		7,657	5
For the year ended December 31, 2018			
KGI Commercial Bank Co., Ltd.		78,568	70
Parent company		16,381	15
Subsidiary of the parent company		4,202	4
Other related parties		7,657	7

The rent was based on market prices and receivable quarterly.

m. Donation (recognized as operating expense)

		Amount	%
For the year ended December 31, 2019			
Other related parties	$	10,000	1

n. Compensation of key management personnel

	For the Year Ended December 31	
	2019	2018
Salary and short-term benefits	$ 246,101	$ 161,126
Post-employment benefits	1,108	953
Share-based payment	741	1,338
	$ 247,950	$ 163,417

27. CAPITAL RISK MANAGEMENT

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

28. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

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

b) Level 2 fair values refer to directly or indirectly observable inputs other than Level 1 quoted prices, such as the quoted prices of similar financial instruments in active markets; in less active markets, fair values are quoted prices of the same or similar financial instruments or financial instruments that can be generated by using pricing models that use inputs such as interest rates and volatility rates, which are derived from or can be corroborated with observable market data.

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

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

December 31, 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				
Stock	$ 2,657,865	$ 52,410	$ 6,651,785	$ 9,362,060
Partnership fund	-	-	5,309,881	5,309,881

(Continued)

	Level I	Level II	Level III	Total
Open-end funds	$ 281,737	$ -	$ -	$ 281,737
Others	-	-	798,319	798,319
Financial assets designated as at FVTPL	-	-	1,580,146	1,580,146
Financial assets at FVTOCI				
Bond	-	108,687	-	108,687

(Concluded)

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	$ 8,053,903	$ 10,942,978
Partnership fund	-	-	6,083,712	6,083,712
Open-end funds	230,354	-	-	230,354
Others	-	-	714,372	714,372
Financial assets designated as at FVTPL	-	-	574,064	574,064
Financial assets at FVTOCI				
Bond	-	159,214	-	159,214

3) Financial instruments measured at fair value

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

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

Due to the appearance of active market quotations of some financial assets in the year of 2019, the fair value hierarchy of financial instruments transfer from Level 2 to Level 1.

	For the Year Ended December 31, 2019	
	From Level 1 to Level 2	**From Level 2 to Level 1**
Financial assets mandatorily classified as at FVTPL		
Stock	$ -	$ 7,100

5) Reconciliation of Level 3 items of financial instruments

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

For the Year Ended December 31, 2019

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 14,851,987	$ 965,759	$ 1,977,337	$ -	$ 4,959,025	$ 76,073	$ 12,759,985
Financial assets designated as at FVTPL	574,064	77,115	929,332	-	365	-	1,580,146

For the Year Ended December 31, 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 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 17,474,833	$ 2,569,792	$ 2,207,200	$ -	$ 7,188,187	$ 211,651	$ 14,851,987
Financial assets designated as at FVTPL	457,036	14,023	165,293	-	62,288	-	574,064

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 years ended December 31, 2019 and 2018 included losses of $810,895 thousand and $237,789 thousand relating to assets measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

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

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

	Fair Value at December 31, 2019	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 14,340,132	Market approach	P/B P/S Lack of liquidity discount	0.68-2.61 0.43-5.56 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 9.97%-13.58% 4.50%-7.00%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount 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	32.21%-33.65%	When the higher returns on stock value volatility, the higher of fair value.
		Recent transaction 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% 3.00%-7.00%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount 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%-39.20%	When the higher returns on stock value volatility, the higher of fair value.
		Recent transaction price	-	-	-

7) Pricing process of level 3 fair value

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

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

	December 31	
	2019	**2018**
Financial assets		
Fair value through profit or loss (FVTPL)		
Financial assets mandatorily classified as at FVTPL	$ 15,751,997	$ 17,971,416
Designated as at FVTPL	1,580,146	574,064
	$ 17,332,143	$ 18,545,480
Amortized cost		
Cash and cash equivalent	$ 12,400,992	$ 16,274,078
Other receivables	723,911	1,109,625
Others	67,181	68,795
	$ 13,192,084	$ 17,452,498
Fair value through other comprehensive income		
Debt investments	$ 108,687	$ 159,214
Financial liabilities		
Amortized cost		
Other payables	$ 838,612	$ 876,022
Lease liabilities	109,943	-
Others	409,919	410,577
	$ 1,358,474	$ 1,286,599

d. Risk management policies and objective

The Corporation has established its risk management policies, which combine business management and risk management to form a corporate culture and business strategies that place a fundamental importance on risk management. The results of quantified and qualified risk management measures serve as a reference for formulating business strategies. The board of directors has approved the documentation of both overall and specific risk management policies.

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

1) Market risk

Market risk is defined as an unfavorable change in macroeconomic and financial market variables, (such as interest rates, exchange rates, stock prices and commodity prices) which may cause a potential loss on financial assets held for trading. Market risk as explained as follows:

a) Foreign currency rate risk information

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

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	December 31, 2019		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 151,924	30.106	$ 4,573,833
CNY	218,454	4.323	944,375
HKD	81,115	3.866	313,592
JPY	414,683	0.277	114,909
Nonmonetary items			
USD	179,269	30.106	5,397,072
CNY	89,591	4.323	387,301
THB	159,162	1.010	160,753
KRW	3,851,200	0.026	100,393
Investment accounted for using the equity method			
USD	94,240	30.106	2,837,176
CNY	660,890	4.323	2,857,026
Financial liabilities			
Monetary items			
USD	15,869	30.106	477,763

	December 31, 2018		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
<u>Financial assets</u>			
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
<u>Financial liabilities</u>			
Monetary items			
USD	15,381	30.733	472,712

<u>Sensitivity analysis</u>

The following table details the Corporation and subsidiaries' sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease 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 Year Ended December 31	
	2019	**2018**
Monetary items		
USD	$ 40,961	$ 64,062
CNY	8,970	8,171
HKD	3,131	2,180
JPY	1,149	1,154
KRW	443	1,760

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of December 31, 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 years ended December 31, 2019 and 2018 would increase/decrease by $162,521 thousand and $176,008 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 December 31, 2019 and 2018, other financial liabilities are $373,788 thousand and $381,410 thousand, respectively, and will be paid by financial assets and the rest of non-derivative financial liabilities are $985,757 thousand and $905,189 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$373,788 thousand based on the exchange rate of December 31, 2019) was reclassified to "other financial liabilities". The litigation had not yet been concluded as of December 31, 2019. In addition, Morgan Stanley overlooked the Corporation's efforts and terminated interest rate swap (IRS) contracts (nominal principal amount: KRW24,000,000 thousand) and CDS contracts (nominal principal amount: JPY586,510 thousand) in August 2010, the Corporation reserves the right of legal proceedings.

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

30. ADDITIONAL DISCLOSURES

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

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

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

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

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

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

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

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

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

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

Geographical Information

The Corporation and subsidiaries' revenue from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers	
	For the Year Ended December 31	
	2019	2018
Taiwan	$ 2,440,372	$ 2,049,792
Malaysia	476,831	1,227,501
British Cayman Islands	316,666	281,577
British Virgin Islands	118,004	(320,624)
Others	47,959	246,797
	$ 3,399,832	$ 3,485,043

TABLE 1

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2019				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Stocks							
	Logitech Inc.	-	Financial assets at fair value through profit or loss	3,261,773	$ 36,332	10.69	$ 36,332	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	9,804	10.83	9,804	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	77,462	6.04	77,462	
	National Glory Development Corp.	-	Financial assets at fair value through profit or loss	646,884	4,709	6.47	4,709	
	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	2,400,568	57,974	8.21	57,974	
	Power Venture Co.	-	Financial assets at fair value through profit or loss	677,245	5,318	5.68	5,318	
	Ori Vita Bio Application Inc.	-	Financial assets at fair value through profit or loss	858,690	5,715	0.42	5,715	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,000,000	34,420	9.91	34,420	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	47,478	13.96	47,478	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	12,316,000	150,502	4.28	150,502	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	13,016	1.95	13,016	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	55,777	8.4	55,777	
	Mec Imex Inc.	-	Financial assets at fair value through profit or loss	4,802,000	54,681	10.52	54,681	
	Yieh United Steel Corp.	-	Financial assets at fair value through profit or loss	5,991,622	34,572	0.23	34,572	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	1,300,403	12,099	6.45	12,099	
	AMIA Co.	-	Financial assets at fair value through profit or loss	6,000,000	117,000	9.54	117,000	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	67,215	6.85	67,215	
	PlexBio Co., Ltd.	-	Financial assets at fair value through profit or loss	3,526,000	63,962	3.43	63,962	
	Riselink Restructuring Fund Corporation	-	Financial assets at fair value through profit or loss	986,905	15,795	12.50	15,795	
	Orient Pharma Co., Ltd.	-	Financial assets at fair value through profit or loss	2,857,800	41,438	1.83	41,438	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	7,567,424	103,440	5.64	103,440	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	29,594	6.47	29,594	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	2,083,107	121,445	2.08	121,445	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	109,792	5.98	109,792	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	33,059	1.38	33,059	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,743,026	89,423	4.43	89,423	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	23,535	4.77	23,535	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	2,544,195	29,034	5.28	29,034	
	Terawins, Inc.	-	Financial assets at fair value through profit or loss	1,913,996	8,298	6.30	8,298	
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss	477,822	7,158	1.59	7,158	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through profit or loss	2,731,098	21,442	10.57	21,442	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	12,127	10.43	12,127	
	Overseas Investment & Development Corp.	-	Financial assets at fair value through profit or loss	2,600,000	12,102	2.89	12,102	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	46,168	7.95	46,168	
	TAK Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,467,706	1,104	4.14	1,104	
	Engineering & IP Advanced Technologies Ltd.	-	Financial assets at fair value through profit or loss	4,216	1	0.00	1	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	104,605	4.81	104,605	
	JHL. Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	320,587	3.97	320,587	
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	160,753	12.00	160,753	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	195,851	8.02	195,851	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	3,675,000	21,936	0.15	21,936	
	Engineering & IP Advanced Technologies Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	6,392,765	1,399	0.35	1,399	
	Lightel Technologies, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	3,000,000	89,971	43.44	89,971	
	Apexigen, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	4,970,588	231,910	4.81	231,910	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Fund							
	Samara Capital Partners Fund I Limited	-	Financial assets at fair value through profit or loss	-	$ 63,199	-	$ 63,199	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	231,764	-	231,764	
	Corporate bond							
	Belta (Cayman) Holding Limited	-	Financial assets at fair value through profit or loss	11,959,916	7,676	-	7,676	
	Government bonds							
	A00109	-	Financial assets at fair value through other comprehensive income	7,000,000	7,091	-	7,091	
	A01105	-	Financial assets at fair value through other comprehensive income	100,000,000	101,596	-	101,596	
CDIB Capital Management Inc.	Stocks							
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	65,660	5,680	0.05	5,680	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	101,240	3,063	0.09	3,063	
	MCM Stamping Co., Ltd.	-	Financial assets at fair value through profit or loss	70,000	197	0.22	197	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	783,000	10,703	0.58	10,703	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,678	1.44	1,678	
	Fund							
	KGI Victory Money Market Securities Investment Trust Fund	Managed by KGI Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	-	80,563	-	80,563	
CDIB Venture Capital Corporation	Stocks							
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	811,659	14,878	1.16	14,878	
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	24,826	0.00	24,826	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	4,303	1.24	4,303	
	Hotai Finance Corporation		Financial assets at fair value through profit or loss	1,297,000	115,303	0.25	115,303	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	183,019	4.68	183,019	
	Kwan's International Co., Ltd.		Financial assets at fair value through profit or loss	133,480	4,038	0.11	4,038	
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,809,000	83,764	2.43	83,764	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	75,000	1.55	75,000	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	1,101,000	33,140	2.86	33,140	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	3,114,000	309,532	0.53	309,532	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	788,000	141,446	0.60	141,446	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	3,238,763	17,526	14.80	17,526	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	5,482,702	375,565	16.13	375,565	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,725,007	86,159	4.69	86,159	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,528,901	180,242	8.92	180,242	
	Greatland Electronics Taiwan Ltd.	-	Financial assets at fair value through profit or loss	1,920,000	12,060	5.50	12,060	
	Shengzhuang Holdings Limited	-	Financial assets at fair value through profit or loss	610,590	3,823	6.11	3,823	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	104,605	4.81	104,605	
	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	514,821	2,157	0.00	2,157	
	Cvie Therapeutics Company Limited	-	Financial assets at fair value through profit or loss	560,000	23,107	4.15	23,107	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	5,880	1.85	5,880	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	31,376	1.03	31,376	
	i-Serve	-	Financial assets at fair value through profit or loss	2,232,219	153,854	4.17	153,854	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	99,626	10.23	99,626	
	Windtree Therapeutic, Inc.	-	Financial assets at fair value through profit or loss	594,552	76,073	1.46	76,073	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	5,105,377	30,474	0.20	30,474	
	iCHEF Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	11,167,513	102,558	40.74	102,558	
	4Gamers Entertainment Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	24,000	15,896	20.00	15,896	
	Viscovery (Cayman) Holding Company Limited - Preferred stock	-	Financial assets at fair value through profit or loss	304,878	9,179	8.20	9,179	
	Citiesocial Holding Cayman Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	479,635	15,053	18.18	15,053	
	Uimbo CV Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,394,145	21,074	10.29	21,074	
	CCMODA Corp. - Preferred stock	-	Financial assets at fair value through profit or loss	1,250,000	16,182	20.00	16,182	
	Asia Parents Holdings Limited	-	Financial assets at fair value through profit or loss	248,889	16,859	14.74	16,859	
	Kneron Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,469,072	198,141	9.50	198,141	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2019				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB Venture Capital Corporation	Elixiron Immunotherapeutics (Cayman) Limited-Preferred stock		Financial assets at fair value through profit or loss	4,559,686	$ 90,318	28.57	$ 90,318	
	Cloud Mile Inc. -Preferred stock		Financial assets at fair value through profit or loss	502,934	18,064	10.00	18,064	
	Zentera Systems, Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	81,334	39.35	81,334	
	FUNP Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	400,000	43,353	20.00	43,353	
	Achieve Made International Limited - Preferred stock A	-	Financial assets at fair value through profit or loss	168,138	12,042	6.67	12,042	
	CBA Sports International Ltd.- Preferred stock A	-	Financial assets at fair value through profit or loss	2,402,500	3,364	13.73	3,364	
	Viscovery (Cayman) Holding Company Limited - Preferred stock A	-	Financial assets at fair value through profit or loss	200,000	6,021	10.96	6,021	
	CCMODA Corp. - Preferred stock A		Financial assets at fair value through profit or loss	465,116	6,021	9.40	6,021	
	FunNow Ltd. - Preferred stock A	-	Financial assets at fair value through profit or loss	185,184	33,605	20.00	33,605	
	4Gamers Entertainment Inc. - Preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,780	4.80	5,780	
	Kkday.com International Company Limited - Preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	59,140	8.66	59,140	
	Traveler Co., Ltd. - Preferred stock B	-	Financial assets at fair value through profit or loss	32,077	24,085	10.85	24,085	
	Achieve Made International Limited-Preferred stock E	-	Financial assets at fair value through profit or loss	336,276	24,085	10.00	24,085	
	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	-	201,174	-	201,174	
	Corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	-	41,245	-	41,245	
	Convertible (exchange) corporate bond							
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	-	48,170	-	48,170	
CDIB Capital Investment I Limited	Stocks							
	Best Inc.	-	Financial assets at fair value through profit or loss	1,500,000	US$ 8,340	0.38	US$ 8,340	
	Casper Sleep, Inc.	-	Financial assets at fair value through profit or loss	266,690	US$ 8,217	1.00	US$ 8,217	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 3,072	11.11	US$ 3,072	
	Mestay Cayman Islands Limited - Preferred stock	-	Financial assets at fair value through profit or loss	13,722,047	US$ 4,795	3.40	US$ 4,795	
	Viking 3 Holdings Corporation - Preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US$ 18,262	100.00	US$ 18,262	
	Giddy Inc. - Preferred stock		Financial assets at fair value through profit or loss	666,755	US$ 7,287	6.26	US$ 7,287	
	Great Team Backend Foundry Inc. - Preferred stock	-	Financial assets at fair value through profit or loss	1,636,800	US$ 945	1.81	US$ 945	
	Rokid Corporation Ltd - Preferred stock	-	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$ 127	-	US$ 127	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US$ 9,289	-	US$ 9,289	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US$ 22,013	-	US$ 22,013	
	Ripley Cable Holdings I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 887	-	US$ 887	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 513	-	US$ 513	
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 11,692	-	US$ 11,692	
	Corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	41,875,000	US$ 7,222	-	US$ 7,222	
	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$ 12,470	-	US$ 12,470	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US$ 3,600	-	US$ 3,600	
SCBS 1 Holding Corporation	Stocks							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$ 2,789	-	US$ 2,789	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2019							Note
				Shares/Face Value/Units	Carrying Value		Percentage of Ownership (Note 1)	Fair Value			
CDIB Capital Investment II Limited	Stocks										
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$	3,335	2.46	US$	3,335		
	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$	5,161	2.88	US$	5,161		
	Indostar Everstone - Preferred stock	-	Financial assets at fair value through profit or loss	860,332	US$	6,995	8.12	US$	6,995		
	CBA Sports International Ltd. - Preferred stock A	-	Financial assets at fair value through profit or loss	2,375,000	US$	111	13.57	US$	111		
CDIB Global Markets Limited	Stocks										
	GoPro, Inc.	-	Financial assets at fair value through profit or loss	51,878	US$	225	0.04	US$	225		
	Flemingo International (BVI) Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	1,048	US$	42,868	50.19	US$	42,868		
	Fund										
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$	9,722	-	US$	9,722		
	GS TDN Investors Offshore, L.P.	-	Financial assets at fair value through profit or loss	-	US$	187	-	US$	187		
	CX Partners Fund Alpha Limited	-	Financial assets at fair value through profit or loss	-	US$	6,031	-	US$	6,031		
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,497	-	US$	1,497		
	Riverwood Capital Partners L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,060	-	US$	5,060		
	ECP II (Cayman) Ltd. A	-	Financial assets at fair value through profit or loss	-	US$	7,293	-	US$	7,293		
	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$	7,957	-	US$	7,957		
	Carlyle Asia Partners IV, L.P.	-	Financial assets at fair value through profit or loss	-	US$	18,914	-	US$	18,914		
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,519	-	US$	1,519		
	Tenaya Capital V, L.P.	-	Financial assets at fair value through profit or loss	-	US$	2,523	-	US$	2,523		
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	US$	3,849	-	US$	3,849		
	Platinum Equity Capital Partners II, L.P.	-	Financial assets at fair value through profit or loss	-	US$	945	-	US$	945		
	Industry Ventures Fund VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,601	-	US$	1,601		
	Platinum Equity Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,262	-	US$	5,262		
	Tenaya Capital VI, LP	-	Financial assets at fair value through profit or loss	-	US$	7,441	-	US$	7,441		
	Formation8 Partners Fund I, L.P.	-	Financial assets at fair value through profit or loss	-	US$	8,458	-	US$	8,458		
	Blue Point Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	6,011	-	US$	6,011		
	Riverwood Capital Partners II L.P.	-	Financial assets at fair value through profit or loss	-	US$	21,712	-	US$	21,712		
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,689	-	US$	5,689		

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)

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 YEAR ENDED DECEMBER 31, 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	-	-	-	-	2,581,558 (Note 2)	-	339,392	6,560,448
	Fund													
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	Financial assets at fair value through profit or loss	-	-	-	201,335 (Note 1)	-	-	-	576,860	140,685	436,175	-	60,650 (Note 1)
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	315,378 (Note 3)	-	-	-	-	1,010,000,000	3,652,833
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	-	-
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ 4,414 (Note 1)	-	-	-	US$ 13,710	US$ 3,063	US$ 10,647	-	US$ 1,351 (Note 1)
CDIB Capital Investment I Limited	Stocks													
	Viking 3 Holdings Corporation - Preferred stock	Financial assets at fair value through profit or loss	-	-	-	US$ -	18,000,000	US$ 18,000	-	-	-	-	18,000,000	US$ 18,000 (Note 1)
	Fund													
	CDIB Capital Asia Partners L.P.	Investments accounted for using the equity method	-	-	-	US$ 88,975	-	US$ 5,137 (Note 4)	-	-	-	-	-	US$ 94,112
	CC KDC CO-INVEST LP	Financial assets at fair value through profit or loss	-	-	-	US$ -	-	US$ 20,441	-	-	-	-	-	US$ 20,441 (Note 1)
	MSD Sports Partners, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ 292,908	-	-	-	US$ 11,577	US$ 7,859	US$ 3,718	-	US$ 285,049 (Note 1)

Note 1: Initial acquisition cost.

Note 2: The amount include $2,799,900 thousand of capital reduction, $323,037 thousand of gain on investments and $104,695 thousand of loss on translation of foreign financial statements.

Note 3: The amount include $561,904 thousand of capital increase, $122,368 thousand of loss on investments and $124,158 thousand of loss on translation of foreign financial statements.

Note 4: The amount include $14,798 thousand of capital increase, $3,479 thousand of loss on investments and $6,182 thousand of return of investment cost.

TABLE 3

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 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	$ 211,214 (Note)	-	$ -	-	$ -	$ -

Note: Tax receivable result from linked-tax system.

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2019
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2019			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 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	$ 10,124,902 (Note 1)	$ 620,691	$ 620,691	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	624,539 (Note 1)	73,848	73,848	Subsidiary
	CDIB Global Markets Limited	Malaysia	Investment	3,035,254	5,835,154	339	100.00	6,560,448 (Note 1)	US$ 10,446	323,037	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	8,036,540 (Note 1)	US$ 10,681	330,284	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,147,940 (Note 1)	US$ (11,002)	(340,224)	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Private equity advisory services	156,951	156,951	4,700	100.00	666,335 (Note 1)	US$ 2,419	74,818	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	5,585,664	2,120,162	608,711	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	582,500	582,500	58,250	33.29	546,782	(106,015)	(35,288)	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	504,400	582,000	50,440	38.80	519,032	37,601	14,589	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	32,124	(9,233)	(1,847)	Associates
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	3,844	US$ (4)	(40)	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	150,000	30,000	35.71	322,085	71,842	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	3,652,833 (Note 1)	HK$ 31,002	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	569,944	393,331	-	-	607,545	34,367	Not applicable	Associates
	Kuo Heng Investment Holding Corp. (Note 2)	Taiwan	Accommodation and food service activities	50,000	5,000	5,000	38.46	49,533	(1,123)	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	310,817 (Note 1)	HK$ 5,678	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management and consulting	12,000	12,000	1,200	60.00	14,590 (Note 1)	3,509	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	17,500	17,500	1,750	1.00	16,427	(106,015)	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	13,000	15,000	1,300	1.00	13,377	37,601	Not applicable	Associates
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	23,000	15,815	-	-	24,718	34,367	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 100,373	US$ 91,757	-	-	US$ 94,112	US$ (19,575)	Not applicable	Associates
	CDIB Capital Global Opportunities Fund L.P.	Cayman Islands	Venture fund	US$ 6,199	US$ 1,413	-	-	US$ 7,922	US$ 994	Not applicable	Associates
	SCBS 1 Holding Corporation	United States of America	Investment Holdings	US$ 3,578	US$ -	4	100.00	US$ 2,958 (Note 1)	US$ (620)	Not applicable	Subsidiary
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Private equity advisory services	US$ 2,059	US$ 2,059	15,400	100.00	US$ 6,435 (Note 1)	HK$ 5,873	Not applicable	Subsidiary
	CDIB Capital International (Korea) Corporation	Korea	Private equity advisory services	US$ 1,932	US$ 5,270	558	100.00	US$ 2,254 (Note 1)	KRW 6,577	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Private equity advisory services	US$ 1,166	US$ 1,166	8,000	100.00	US$ 2,236 (Note 1)	US$ 299	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Private equity advisory services	US$ 150	-	-	100.00	US$ 60 (Note 1)	US$ (16)	Not applicable	Subsidiary

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

Note 2: Regent Investment Holding Corp. had been renamed as “Kuo Heng Investment Holding Corp.” in the fourth quarter of 2019.

TABLE 5

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
DECEMBER 31, 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 December 31, 2019	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2019	Accumulated Inward Remittance of Earnings as of December 31, 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	$ 24,861	100.00	$ 24,861	$ 245,516	$ -
CDIB Private Equity (Fujian) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 3	-	-	-	-	21,671	70.00	15,169	81,138	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(2,330)	70.00	(1,631)	36,053	-
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	(195,415)	-	(68,395)	1,525,410	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 7,000 thousand	Note 4	-	-	-	-	15,180	65.00	9,867	55,884	-
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(1,620)	65.00	(1,053)	33,669	-
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	(139,379)	-	(41,814)	1,331,616	-
Kunshan Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 285,000 thousand	Note 1,b,1),2)	-	CNY 89,224 thousand	-	CNY 89,224 thousand	(37,052)	-	(11,997)	387,305	-

Accumulated Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,995,097	US$355,828 thousand	$41,512,767

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.

(Continued)

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

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

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

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

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2019

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership		Note
			December 31, 2019	December 31, 2018	
The Corporation	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	
	CDIB Global Markets Limited	Investment	100.00	100.00	
	CDIB Capital Investment I Limited	Investment	100.00	100.00	
	CDIB Capital Investment II Limited	Investment	100.00	100.00	
	CDIB Capital International Corporation	Private equity advisory services	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory services	100.00	100.00	
	CDIB Capital International (USA) Corporation	Private equity advisory services	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Private equity advisory services	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory services	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	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co, Ltd.	Fund management	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Fund management	70.00	70.00	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co, Ltd.	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	58.34	58.34	

CDIB CAPITAL GROUP AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 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)
1	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Other receivables	$ 108,369	Note 4	0.24%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Other payables	108,369	Note 4	0.24%
1	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	276,544	Note 4	8.13%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	276,544	Note 4	8.13%
2	CDIB Capital International Corporation	CDIB Global Markets Limited	3	Consulting service revenues	183,976	Note 4	5.41%
3	CDIB Global Markets Limited	CDIB Capital International Corporation	3	Operating expenses	183,976	Note 4	5.41%

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.