CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2018 and 2017 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
CDIB Capital Group

Opinion

We have audited the accompanying consolidated financial statements of CDIB Capital Group (the "Corporation") and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2018, December 31, 2017 and June 30, 2017, and the consolidated statements of comprehensive income for the six months ended June 30, 2018 and 2017, changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of CDIB Capital Group and subsidiaries as of June 30, 2018, December 31, 2017 and June 30, 2017, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2018 and 2017, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2018. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

As stated in Note 33, the Corporation and subsidiaries held financial instruments measured in fair value with no quoted markets prices in active markets that included financial assets of $19,973,062 thousand at June 30, 2018. The amounts are material to the consolidated financial statement as a whole as it accounts for 36% of the total assets of the consolidated financial statement. The financial instruments belong to Level II Level III classification of financial instruments. 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 include adjusted observable inputs and unobservable inputs. For the fact that the inputs involve material managerial estimation and judgement, we identified the valuation as a key audit matter for the six months ended June 30, 2018.

Refer to Note 5 for the relevant estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

We understood and assessed Corporation's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operation effectiveness. We selected the samples from the financial assets with no quoted market prices in an active market then valuating the appropriateness of the parameters used in the valuation models of the sample by re-performing the selection of comparable companies and testing the reasonability of the multiplier.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 "Interim Financial Reporting" endorsed by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2018 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 Cheng-Hung Kuo.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 13, 2018

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

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

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2018		December 31, 2017		June 30, 2017	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 31)	$ 15,293,796	28	$ 12,783,198	23	$ 11,569,843	21
Other receivables (Notes 7 and 31)	1,167,264	2	548,790	1	650,521	1
Current tax assets (Notes 4, 28 and 31)	346,194	1	347,209	1	346,979	1
Other current assets	305,257	-	60,106	-	21,931	-
Total current assets	17,112,511	31	13,739,303	25	12,589,274	23
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8 and 13)	24,094,190	43	971,150	2	936,895	2
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	159,731	-	-	-	-	-
Available-for-sale financial assets - non-current (Notes 10 and 31)	-	-	10,927,200	20	10,765,963	19
Financial assets measured at cost - non-current (Notes 11 and 13)	-	-	14,339,022	26	15,950,438	29
Debt investments with no active market - non-current	-	-	1,276,165	2	1,294,244	2
Investments accounted for using the equity method (Notes 12 and 13)	12,225,548	22	12,118,599	22	11,503,560	21
Property and equipment (Note 14)	903,773	2	951,448	2	1,021,844	2
Investment properties (Note 15)	787,857	2	767,221	1	761,843	1
Other non-current assets (Notes 4, 16 and 28)	216,759	-	214,264	-	433,869	1
Total non-current assets	38,387,858	69	41,565,069	75	42,668,656	77
TOTAL	$ 55,500,369	100	$ 55,304,372	100	$ 55,257,930	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Dividends payable (Note 31)	$ -	-	$ -	-	$ 2,343,237	4
Other payables (Notes 17 and 31)	692,524	1	881,365	1	608,627	1
Current tax liabilities (Notes 4, 28 and 31)	395,971	1	332,580	1	534,874	1
Other current liabilities	166,801	-	103,310	-	156,193	-
Total current liabilities	1,255,296	2	1,317,255	2	3,642,931	6
NON-CURRENT LIABILITIES						
Provisions - non-current (Notes 18 and 19)	157,380	1	164,374	-	156,915	-
Deferred tax liabilities (Notes 4 and 28)	612,779	1	242,065	1	241,598	1
Other non-current liabilities (Notes 20, 31 and 34)	534,498	1	516,973	1	510,350	1
Total non-current liabilities	1,304,657	3	923,412	2	908,863	2
Total liabilities	2,559,953	5	2,240,667	4	4,551,794	8
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)						
Capital	20,411,159	37	20,411,159	37	20,603,994	37
Capital surplus	4,689,088	8	4,688,261	8	4,704,063	9
Retained earnings						
Legal reserve	22,425,309	40	22,425,309	41	22,425,309	41
Special reserve	667,434	1	2,823,507	5	2,823,507	5
Unappropriated earnings	4,246,162	8	3,336,823	6	1,561,549	3
Other equity						
Exchange differences on translation of foreign financial statements	(1,134,383)	(2)	(1,669,657)	(3)	(1,356,107)	(3)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,551,225	3	-	-	-	-
Unrealized gain (loss) on available-for-sale financial assets	-	-	959,824	2	(138,976)	-
Total equity attributable to owners of the parent	52,855,994	95	52,975,226	96	50,623,339	92
NON-CONTROLLING INTERESTS	84,422	-	88,479	-	82,797	-
Total equity	52,940,416	95	53,063,705	96	50,706,136	92
TOTAL	$ 55,500,369	100	$ 55,304,372	100	$ 55,257,930	100

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2018		2017	
	Amount	%	Amount	%
OPERATING REVENUE				
Net profit of selling financial assets (Note 22)	$ -	-	$ 1,995,125	74
Dividend revenue	76,091	2	85,953	3
Share of the profit of associates for using equity method	61,533	2	260,925	9
Gains on financial assets measured at fair value through profit or loss (Note 23)	2,729,382	86	74,245	3
Consulting service revenue (Note 31)	315,707	10	268,675	10
Other operating revenue	3,587	-	19,396	1
Total operating revenue	3,186,300	100	2,704,319	100
OPERATING COSTS				
Impairment loss on assets (Note 24)	-	-	354,096	13
GROSS PROFIT	3,186,300	100	2,350,223	87
OPERATING EXPENSES (Notes 4, 25, 26 and 31)	720,214	23	665,260	25
PROFIT FROM OPERATIONS	2,466,086	77	1,684,963	62
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange gain (loss), net	45,965	2	(105,888)	(4)
Interest revenues (Note 31)	95,801	3	93,243	4
Interest expenses	(194)	-	(1,349)	-
Other gains and losses (Notes 27 and 31)	63,234	2	54,830	2
Total non-operating income and expenses	204,806	7	40,836	2
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	2,670,892	84	1,725,799	64
INCOME TAX EXPENSE (Notes 4 and 28)	(145,097)	(5)	(156,194)	(6)
NET PROFIT FOR THE PERIOD	2,525,795	79	1,569,605	58
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss, net of income tax				
Share of the other comprehensive gain (loss) of associates and joint ventures	(126,433)	(4)	-	-

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CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2018		2017	
	Amount	%	Amount	%
Items that will be reclassified subsequently to profit or loss, net of income tax:				
Exchange differences on translating foreign operations	$ 439,020	14	$ (1,080,651)	(40)
Unrealized gain on available-for-sale financial assets	-	-	2,088,651	77
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(750)	-	-	-
Share of the other comprehensive income of associates accounted for using the equity method	96,575	3	360,648	14
Other comprehensive income for the period, net of income tax	408,412	13	1,368,648	51
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 2,934,207	92	$ 2,938,253	109
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of parent company	$ 2,515,674	79	$ 1,561,549	58
Non-controlling interests	10,121	-	8,056	-
	$ 2,525,795	79	$ 1,569,605	58
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of parent company	$ 2,923,765	92	$ 2,932,372	109
Non-controlling interests	10,442	-	5,881	-
	$ 2,934,207	92	$ 2,938,253	109
EARNINGS PER SHARE (Note 29)				
Basic	$1.23		$0.76	

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent										
			Retained Earnings			Other Equity					
	Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating of Foreign Financial Statements	Unrealized Gains (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Gains (Losses) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2017	$ 20,603,994	$ 24,703,001	$ 22,425,309	$ 3,709,959	$ 1,456,785	$ (98,320)	$ -	$ (2,767,586)	$ 70,033,142	$ 76,698	$ 70,109,840
Appropriation of the 2016 earnings											
Special reserve reversed	-	-	-	(886,452)	886,452	-	-	-	-	-	-
Cash dividends - NT$1.14 per share	-	-	-	-	(2,343,237)	-	-	-	(2,343,237)	-	(2,343,237)
	-	-	-	(886,452)	(1,456,785)	-	-	-	(2,343,237)	-	(2,343,237)
Cash dividend from capital surplus	-	(20,000,000)	-	-	-	-	-	-	(20,000,000)	-	(20,000,000)
Net profit for the six months ended June 30, 2017	-	-	-	-	1,561,549	-	-	-	1,561,549	8,056	1,569,605
Other comprehensive income (loss) for the six months ended June 30, 2017, net income tax	-	-	-	-	-	(1,257,787)	-	2,628,610	1,370,823	(2,175)	1,368,648
Total comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	1,561,549	(1,257,787)	-	2,628,610	2,932,372	5,881	2,938,253
Share-based payment	-	1,062	-	-	-	-	-	-	1,062	-	1,062
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	218	218
BALANCE AT JUNE 30, 2017	$ 20,603,994	$ 4,704,063	$ 22,425,309	$ 2,823,507	$ 1,561,549	$ (1,356,107)	$ -	$ (138,976)	$ 50,623,339	$ 82,797	$ 50,706,136
BALANCE AT JANUARY 1, 2018	$ 20,411,159	$ 4,688,261	$ 22,425,309	$ 2,823,507	$ 3,336,823	$ (1,669,657)	$ -	$ 959,824	$ 52,975,226	$ 88,479	$ 53,063,705
Effect of retrospective application and retrospective restatement	-	-	-	-	1,730,488	-	1,678,408	(959,824)	2,449,072	-	2,449,072
BALANCE AT JANUARY 1, 2018 AS RESTATED	20,411,159	4,688,261	22,425,309	2,823,507	5,067,311	(1,669,657)	1,678,408	-	55,424,298	88,479	55,512,777
Appropriation of the 2017 earnings											
Special reserve reversed	-	-	-	(2,156,073)	2,156,073	-	-	-	-	-	-
Cash dividends - NT$2.69 per share	-	-	-	-	(5,492,896)	-	-	-	(5,492,896)	-	(5,492,896)
	-	-	-	(2,156,073)	(3,336,823)	-	-	-	(5,492,896)	-	(5,492,896)
Net profit for the six months ended June 30, 2018	-	-	-	-	2,515,674	-	-	-	2,515,674	10,121	2,525,795
Other comprehensive income (loss) for the six months ended June 30, 2018, net income tax	-	-	-	-	-	535,274	(127,183)	-	408,091	321	408,412
Total comprehensive income (loss) for the six months ended June 30, 2018	-	-	-	-	2,515,674	535,274	(127,183)	-	2,923,765	10,442	2,934,207
Share-based payment	-	827	-	-	-	-	-	-	827	-	827
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,499)	(14,499)
BALANCE AT JUNE 30, 2018	$ 20,411,159	$ 4,689,088	$ 22,425,309	$ 667,434	$ 4,246,162	$ (1,134,383)	$ 1,551,225	$ -	$ 52,855,994	$ 84,422	$ 52,940,416

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 2,670,892	$ 1,725,799
Adjustments to reconcile net profit		
Depreciation expenses	28,111	29,965
Amortization expenses	8,524	8,505
Interest expense	194	1,349
Interest income	(95,801)	(93,243)
Dividend income	(76,091)	(85,953)
Share of profit of associates accounted for using equity method	(61,533)	(260,925)
Gain on disposal of investments	-	(1,995,125)
Loss on financial asset impairment	-	354,096
Others	(8,383)	56,743
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	6,083,509	(74,245)
Other receivables	(507,230)	(55,314)
Other current assets	(237,807)	-
Other operating assets	(23,787)	(59,745)
Other payables	(181,572)	(142,248)
Other current liabilities	56,526	(18,179)
Other operating liabilities	16,405	64,226
Cash generated from (used in) operations	7,671,957	(544,294)
Interest received	80,991	95,954
Dividend received	126,202	124,836
Interest paid	(90)	(2,401)
Income tax refund (paid)	(5,546)	148,814
Net cash generated from (used in) operating activities	7,873,514	(177,091)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at FVTPL	(6,828)	(327,912)
Acquisition of available-for-sale financial assets	-	(94,340)
Proceeds from the sale of available-for-sale financial assets	-	1,096,442
Acquisition of financial assets measured at cost	-	(607,586)
Proceeds from the sale of financial assets measured at cost	-	1,459,279
Proceeds from capital return on financial assets measured at cost	-	74,186
Acquisition of associates	(43,547)	(1,438,608)
Proceeds from disposal of associates	-	1,063,663
Proceeds from disposal of subsidiaries	-	1,676,374
Others	78,746	(182,819)
Net cash generated from investing activities	28,371	2,718,679

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CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2018	**2017**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bills payable	$ -	$ 10,128
Cash dividend paid	(5,492,896)	-
Cash dividend from capital surplus	-	(20,000,000)
Net cash used in financing activities	(5,492,896)	(19,989,872)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	101,609	(353,316)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,510,598	(17,801,600)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	12,783,198	29,371,443
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 15,293,796	$ 11,569,843

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 SIX MONTHS ENDED JUNE 30, 2018 AND 2017
(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 and started operations on May 14, 1959. Effective January 1999, the Corporation was converted from a trust corporation into an industrial bank under government approval. On December 28, 2001, the Corporation's shareholders exchanged their Bank holdings of shares in China Development Financial Holding Corporation (CDFH; the Corporation's parent company) at a 1:1 ratio, which was approved by the Ministry of Finance (MOF). As required by the Financial Holding Company Act, CDFH's shares were listed on the Taiwan Stock Exchange after the exchange and the Corporation became a wholly owned subsidiary of CDFH.

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

On January 19, 2017, under the approval of the board of directors who had been authorized to exercise the rights on behalf of the shareholders' meeting, China Development Industrial Bank was converted and the name became CDIB Capital Group. The date of conversion was March 15, 2017, and the Corporation will continue to expand its assets management business. The FSC approved the conversion on March 10, 2017 with Official Letter No. 1600025880.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and authorized for issue on August 13, 2018.

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, whenever applied, 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 would not have any material impact on the Corporation and subsidiaries' accounting policies:

IFRS 9 "Financial Instruments"

IFRS 9 supersedes IAS 39 "Financial Instruments: Recognition and Measurement", with consequential amendments to IFRS 7 "Financial Instruments: Disclosures" and other standards. IFRS 9 sets out the requirements for classification, measurement and impairment of financial assets and hedge accounting. Refer to Note 4 for information relating to the relevant accounting policies.

On the basis of the facts and circumstances that existed as at January 1, 2018, the Corporation and subsidiaries have performed an assessment of the classification of recognized financial assets and has elected not to restate prior reporting periods. The following table shows the original measurement categories and carrying amount under IAS 39 and the new measurement categories and carrying amount under IFRS 9 for each class of the financial assets and financial liabilities as at January 1, 2018.

	Measurement Category		Carrying Amount		
Financial Assets	**IAS 39**	**IFRS 9**	**IAS 39**	**IFRS 9**	**Remark**
Available-for-sale financial assets	Available-for-sale financial assets	FVTPL	$ 10,927,200	$ 10,766,652	1)
		FVTOCI	-	160,548	4)
Financial assets measured at cost	Fair value through profit or loss (i.e. FVTPL)	FVTPL	341,369	145,050	2)
	Available-for-sale financial assets	FVTPL	13,997,653	16,632,309	2)
Debt instruments with no active market	Loans and receivables	FVTPL	1,276,165	1,495,636	3)

Financial Assets	IAS 39 Carrying Amount as of January 1, 2018	Reclassifications	Remeasurements	IFRS 9 Carrying Amount as of January 1, 2018	Retained Earnings Effect on January 1, 2018	Other Equity Effect on January 1, 2018	Remark
FVTPL	$ 971,150	$ -	$ -	$ 971,150	$ -	$ -	
Add:							
Reclassification from available-for-sale financial assets (IAS 39)		10,766,652	-	10,766,652	(970,829)	970,829	1)
Reclassification from financial assets measured at cost (IAS 39)		14,339,022	2,438,337	16,777,359	2,438,337	-	2)
Reclassification from debt instruments with no active market (IAS 39)		1,276,165	219,471	1,495,636	219,471	-	3)
	971,150	26,381,839	2,657,808	30,010,797	1,686,979	970,829	
FVTOCI							
Add: Debt instruments							
Reclassification from available-for-sale financial assets (IAS 39)		160,548	-	160,548	-	-	4)
Investments accounted for using the equity method	12,118,599	-	95,623	12,214,222	347,868	(252,245)	5)
Deferred tax liabilities	242,065	-	304,359	546,424	(304,359)	-	6)
Net effects of reclassifications and remeasurements as of January 1, 2018		$ 26,542,387	$ 2,449,072		$ 1,730,488	$ 718,584	

1) The Corporation and subsidiaries elected to designate its stock investments previously classified as available-for-sale under IAS 39 as at FVTPL under IFRS 9, because these stock investments are not designated as FVTOCI. A decrease of $970,829 thousand in retained earnings and an increase of $970,829 thousand in other equity were recognized on January 1, 2018, respectively.

2) The Corporation and subsidiaries elected to designate its equity instrument investment originally measured at cost based on IAS 39 is classified as a financial asset measured at FVTPL under IFRS 9, and should be remeasured at fair value. An increase of $2,438,337 thousand in retained earnings was recognized on January 1, 2018.

3) The Corporation and subsidiaries elected to designate its debt investments previously classified as debt investments with no active market under IAS 39 were classified as FVTPL under IFRS 9 and were remeasured at fair value, because the contractual cash flows are not solely payments of principal and interest on the principal outstanding. An increase of $219,471 thousand in retained earnings was recognized on January 1, 2018.

4) Investments in bonds previously classified as available-for-sale under IAS 39 were classified as at FVTOCI with an assessment of expected credit losses under IFRS 9, because on January 1, 2018, the contractual cash flows were solely payments of principal and interest on the principal outstanding and these investments were held within a business model whose objective is to collect contractual cash flows and sell financial assets. No effect in retained earnings and other equity were recognized on January 1, 2018.

5) The Corporation and subsidiaries recognized IFRS 9 influences of investments accounted for equity method based on the investment ratio. An increase of $347,868 thousand in retained earnings and a decrease of $252,245 thousand in other equity were recognized on January 1, 2018.

6) With regards to the classification and measurement under IFRS 9 and the impact of income tax, the Corporation and subsidiaries recognized deferred tax liabilities. As a result, a decrease of $304,359 thousand in retained earnings was recognized on January 1, 2018.

b. Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2019

New IFRSs	**Effective Date Announced by IASB (Note 1)**
Annual Improvements to IFRSs 2015-2017 Cycle	January 1, 2019
Amendments to IFRS 9 “Prepayment Features with Negative Compensation”	January 1, 2019 (Note 2)
IFRS 16 “Leases”	January 1, 2019
Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”	January 1, 2019 (Note 3)
Amendments to IAS 28 “Long-term Interests in Associates and Joint Ventures”	January 1, 2019
IFRIC 23 “Uncertainty Over Income Tax Treatments”	January 1, 2019

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

Note 2: The FSC permits the election for early adoption of the amendments starting from 2018.

Note 3: The Corporation and subsidiaries shall apply these amendments to plan amendments, curtailments or settlements occurring on or after January 1, 2019.

1) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Corporation and subsidiaries are a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Corporation and subsidiaries may elect to apply the accounting method similar to the accounting for operating leases under IAS 17 to low-value and short-term leases. On the consolidated statements of comprehensive income, the Corporation and subsidiaries should present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed by 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.

The application of IFRS 16 is not expected to have a material impact on the accounting of the Corporation and subsidiaries as lessor.

When IFRS 16 becomes effective, the Corporation and subsidiaries may elect to apply this standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this standard recognized at the date of initial application.

2) Amendments to IAS 19 “Plan Amendment, Curtailment or Settlement”

The amendments stipulate that, if a plan amendment, curtailment or settlement occurs, the current service cost and the net interest for the remainder of the annual reporting period are determined using the actuarial assumptions used for the remeasurement of the net defined benefit liabilities (assets). In addition, the amendments clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The amendment shall be applied prospectively.

3) IFRIC 23 “Uncertainty Over Income Tax Treatments”

IFRIC 23 clarifies that when there is uncertainty over income tax treatments, the Corporation and subsidiaries should assume that the taxation authority will have full knowledge of all related information when making related examinations. If the Corporation and subsidiaries conclude that it is probable that the taxation authority will accept an uncertain tax treatment, the Corporation and subsidiaries should determine the taxable profit, tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatments used or planned to be used in their income tax filings. If it is not probable that the taxation authority will accept an uncertain tax treatment, the Corporation and subsidiaries should make estimates using either the most likely amount or the expected value of the tax treatment, depending on which method the entity expects to better predict the resolution of the uncertainty. The Corporation and subsidiaries have to reassess their judgments and estimates if facts and circumstances change.

The Corporation and subsidiaries shall apply IFRIC 23 either retrospectively to each prior reporting period presented, if this is possible without the use of hindsight, or retrospectively with the cumulative effect of the initial application of IFRIC 23 recognized at the date of initial application.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021

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

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

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and subsidiaries is 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

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Corporation and subsidiaries' consolidated financial statements for the year ended December 31, 2017, except for those described below.

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 International Accounting Standards 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

As of June 30, 2018, December 31, 2017 and June 30, 2017, the consolidated entities included in the consolidated financial statements included 19 companies (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.

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 issue 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 category

   2018

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

1) Financial asset at FVTPL

Financial asset is classified as at FVTPL when the financial asset is mandatorily classified or it is 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, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on the financial asset. Fair value is determined in the manner described in Note 33.

2) Investments in debt instruments at FVTOCI

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

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

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

b. Impairment of financial assets

<u>2018</u>

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

For the financial instruments, the Corporation and subsidiaries recognize lifetime Expected Credit Loss (i.e. ECL) 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 ECL.

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

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.

Derecognition 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.

Before 2018, on derecognition of a financial asset in its entirety, 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. Starting from 2018, 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. However, on derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

Retirement Benefit Costs

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

Taxation

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

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.

Impairment of Financial Assets Measured at Cost - 2017

Financial assets with no active market and financial assets measured at cost are measured by valuation model to assess whether the indication of impairment occurs. The valuation model and the assumption used by the corporate is observable data and appropriate assumption, in the meantime, the management considers related market and industry situation to determine the reasonability of the assumption.

Fair Value Measurement of Financial Instruments with No Quoted Market Prices in An Active Market - 2018

Financial assets with no active market is measured by valuation model. The valuation model and the assumption used by the corporate is observable data and appropriate assumption, in the meantime, the management considers related market and industry situation to determine the reasonability of the assumption.

6. CASH AND CASH EQUIVALENTS

	June 30, 2018	December 31, 2017	June 30, 2017
Cash on hand	$ 120	$ 119	$ 117
Checking accounts and demand deposits	1,791,611	2,384,233	2,140,661
Cash equivalent			
Short-term notes	1,647,305	2,102,970	2,076,381
Time deposits	11,854,760	8,295,876	7,352,684
	$ 15,293,796	$ 12,783,198	$ 11,569,843

7. OTHERS RECEIVABLES

	June 30, 2018	December 31, 2017	June 30, 2017
Receivable from securities sold	$ 263,191	$ 263,930	$ 274,898
Accrued incomes	719,312	142,646	222,311
Interest receivable	134,827	120,017	92,777
Others	49,934	22,197	60,535
	$ 1,167,264	$ 548,790	$ 650,521

The Corporation and subsidiaries' changes in allowance for bad debts of other receivables were as follows:

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2017	$ 123,934	$ 989,598	$ 1,113,532
Change in consolidated subsidiaries	(123,934)	(989,598)	(1,113,532)
Balance at June 30, 2017	$ -	$ -	$ -

The Corporation and subsidiaries had not pledged any others receivables and acquired loans as collateral.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS - NON-CURRENT

	June 30, 2018	December 31, 2017	June 30, 2017
Financial assets mandatorily classified as of FVTPL			
Nonderivative financial assets			
Stocks	$ 11,925,045	$ -	$ -
Partnership funds	6,891,106	-	-
Others	4,838,919	-	-
	23,655,070	-	-
Financial assets held for trading			
Nonderivative financial assets			
Listed and OTC stocks	-	-	90,548
Financial assets designated as FVTPL			
Associates	439,120	457,036	322,105
Convertible (exchangeable) corporate bonds	-	265,609	270,841
Convertible (exchangeable) preferred stock	-	248,505	253,401
	439,120	971,150	846,347
Financial assets at FVTPL	$ 24,094,190	$ 971,150	$ 936,895

The Corporation and subsidiaries signed a trust contract with China Trust Commercial Bank (CTBC) in August 2015. The Capital Securities Corporation (CSC) shares held by the Corporation and subsidiaries trust to the CTBC. The trustee in accordance with the contract agreed disposition within the contract period, which has been fully disposed in August 2017.

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

	June 30, 2018
Investments in debt instruments at FVTOCI	
Government bonds	$ 159,731

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS - NON-CURRENT

	December 31, 2017	June 30, 2017
Listed, OTC and emerging market stocks	$ 10,203,443	$ 10,101,520
Government bonds	160,548	160,093
Others	563,209	504,350
	$ 10,927,200	$ 10,765,963

11. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31, 2017	June 30, 2017
Unlisted overseas partnership fund	$ 5,616,943	$ 6,031,615
Unlisted stocks - common stock	4,663,683	5,541,853
Others	4,058,396	4,376,970
	$ 14,339,022	$ 15,950,438
Classified according to financial asset measurement categories		
Available-for-sale financial assets	$ 13,997,653	$ 15,605,157
Financial assets at FVTPL	341,369	345,281
	$ 14,339,022	$ 15,950,438

For the six months ended June 30, 2017, the Corporation and subsidiaries disposed of certain financial assets measured at cost with carrying amounts of $538,474 thousand, and recognized gains of $811,990 thousand.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2018		December 31, 2017		June 30, 2017	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Unlisted companies						
CDIB & Partners Investment Holding Corporation	$ 4,934,479	29	$ 5,152,133	29	$ 4,641,732	29
CDIB Capital Asia Partners L.P.	2,914,086	-	2,749,478	-	2,663,211	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	1,723,119	-	1,674,714	-	1,648,862	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,441,414	-	1,369,820	-	1,355,254	-
CDIB Biomedical Venture Capital Corporation	581,447	34	575,284	34	581,912	34
CDIB CME Fund Ltd.	578,508	40	544,517	40	554,006	40
Others	52,495		52,653		58,583	
	$ 12,225,548		$ 12,118,599		$ 11,503,560	

Investments accounted for using equity method and the Corporation and subsidiaries' share of earnings and other comprehensive income of CDIB & Partner Investment Holding Corporation is calculated based on audited financial statements; those of other affiliates are calculated based on unaudited financial statements. Management believed that had the financial statements of these investees been unaudited, there would have been no significant effect on the consolidated financial statements.

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

13. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Private equity investment

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

	June 30, 2018	December 31, 2017	June 30, 2017
Private equity investment			
Financial assets at fair value through profit or loss	$ 6,891,106	$ -	$ -
Financial assets measured at cost	-	5,616,943	6,031,615
Maximum exposure	6,891,106	5,616,943	6,031,615

b. Private equity management

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

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

	June 30, 2018	December 31, 2017	June 30, 2017
Private equity management			
Total assets	$ 23,070,000	$ 21,713,595	$ 20,439,576
Total liabilities	269,396	127,922	90,719
Investments accounted for using equity method	6,078,619	5,794,012	5,667,327
Financial assets at FVTPL	294,118	312,781	174,269
Maximum exposure	6,372,737	6,106,793	5,841,596

14. PROPERTY AND EQUIPMENT

	June 30, 2018	December 31, 2017	June 30, 2017
Land	$ 583,762	$ 595,391	$ 651,364
Buildings and facilities	294,897	324,315	336,657
Computer equipment	8,159	11,345	11,951
Transportation equipment	27	34	41
Other equipment	9,272	9,987	10,838
Leasehold improvements	7,525	10,376	8,658
	903,642	951,448	1,019,509
Prepayments for acquisition of properties	131	-	2,335
	$ 903,773	$ 951,448	$ 1,021,844

Except for depreciation recognized, the Corporation and subsidiaries' had no significant addition, disposal and impairment of property and equipment during the six months ended June 30, 2018 and 2017.

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

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

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

15. INVESTMENT PROPERTIES

	June 30, 2018	December 31, 2017	June 30, 2017
Land	$ 571,837	$ 560,208	$ 552,713
Buildings and facilities	216,020	207,013	209,130
	$ 787,857	$ 767,221	$ 761,843

Except for depreciation recognized and disposal of subsidiaries, the Corporation and subsidiaries' had no significant addition, disposal and impairment of investment property during the six months ended June 30, 2018 and 2017.

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

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

The fair values of the Corporation and subsidiaries' investment property as of June 30, 2018, December 31, 2017 and June 30, 2017 were $4,232,452 thousand, $4,196,710 thousand and $4,186,023 thousand, respectively.

Exception of the fair value of the Corporation's investment properties as of December 31, 2017 had been performed by independent qualified professional appraiser; however, the Corporation examined the effectiveness of fair value of 2017 and 2016. After evaluating, the Corporation agree that the fair value on June 30, 2018 and 2017 are effective. The valuation was measured using the sales comparison approach and income approach. The former compares a subject property's characteristics with those of comparable properties which have recently sold in similar transaction; the latter is computed by taking the net operating income of the rent collected and dividing it by the capitalization rate.

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

16. OTHER NON-CURRENT ASSETS

	June 30, 2018	December 31, 2017	June 30, 2017
Restricted assets	$ 119,353	$ 114,908	$ 311,030
Guarantee deposits paid	65,744	59,687	76,340
Computer software	21,947	30,460	37,899
Others	9,715	9,209	8,600
	$ 216,759	$ 214,264	$ 433,869

After the filing of a certain complaint against Morgan Stanley & Co. International PLC (Morgan Stanley) (Note 34), 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.”

17. OTHER PAYABLES

	June 30, 2018	December 31, 2017	June 30, 2017
Accrued expenses	$ 666,783	$ 823,645	$ 583,772
Others	25,741	57,720	24,855
	$ 692,524	$ 881,365	$ 608,627

18. PROVISIONS - NON-CURRENT

	June 30, 2018	December 31, 2017	June 30, 2017
Provisions for employee benefits	$ 154,897	$ 161,900	$ 154,560
Others	2,483	2,474	2,355
	$ 157,380	$ 164,374	$ 156,915

19. RETIREMENT BENEFIT PLANS

The Corporation and subsidiaries’ retirement benefit plans consist of defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2017 and 2016, respectively.

For the six months ended June 30, 2018 and 2017, the Corporation and subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of $1,984 thousand and $2,372 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) of $7,527 and $5,226 thousand, respectively.

20. OTHER NON-CURRENT LIABILITIES

	June 30, 2018	December 31, 2017	June 30, 2017
Other financial liabilities	$ 378,846	$ 370,737	$ 364,557
Guarantee deposits received	29,508	28,162	28,414
Others	126,144	118,074	117,379
	$ 534,498	$ 516,973	$ 510,350

21. EQUITY

a. Capital

Common stock

	June 30, 2018	December 31, 2017	June 30, 2017
Numbers of shares authorized (in thousands)	9,266,851	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,041,116	2,041,116	2,060,400
Shares issued	$ 20,411,159	$ 20,411,159	$ 20,603,994

On September 25, 2017, the Corporation's board of the directors exercised its authority to perform shareholders' meeting functions and approved the reduction of the Corporation's capital by $192,835 thousand, representing 20,646 thousand of China Development Financial Holding Corporations shares of held by the Corporation. The reduction approved by the authority was effective on December 29, 2017.

b. Capital surplus

	June 30, 2018	December 31, 2017	June 30, 2017
Arising from issuance of common shares	$ 4,577,409	$ 4,577,409	$ 4,593,957
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845	98,845
Arising from share of changes in capital surplus of associates	3,169	3,169	3,169
Share-based payments awards	9,645	8,818	8,072
Arising from donations	20	20	20
	$ 4,689,088	$ 4,688,261	$ 4,704,063

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.

On April 24, 2017 and March 27, 2016, the Corporation's board of the directors was entitled to execute shareholders' meeting functions, respectively. Also, according to the Article 241 of Company Act, the board of the directors approved the distribution of cash dividend of $12,000,000 thousand and $8,000,000 thousand to shareholders from capital surplus arising from issuance of common shares, respectively.

The capital surplus from long-term investments may not be used for any purpose.

c. Special reserve

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

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

d. Appropriation of earnings

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

The current year's earnings will be first used to settle all taxes payable as well as to cover losses of the past years. The balance will then be used to appropriate legal reserve and special reserve and to reverse a special reserve in accordance with relevant laws and regulations and the corporate charter. The remainder will then be used to pay for the accrued dividends of the past years and dividend of the current year.

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

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

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

Appropriation of the 2017 and 2016 earnings that approved by board of directors which entitled to execute shareholders' meeting function on May 28, 2018 and shareholders' meeting on May 22, 2017 respectively were as follows:

	2017	**2016**
Reversal of special reserve	$ 2,516,073	$ 886,452
Cash dividends (NT$2.69 and NT$1.14 per share)	5,492,896	2,343,237

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).

22. NET PROFIT OF SELLING FINANCIAL ASSETS

	For the Six Months Ended June 30, 2017
Gain on disposal of investments accounted for using the equity method, net	$ 1,013,663
Gain on disposal of financial assets measured at cost, net	811,990
Gain on disposal of available-for-sale financial assets, net	169,472
	$ 1,995,125

23. GAIN ON FINANCIAL ASSETS MEASURED AT FVTPL

	For the Six Months Ended June 30	
	2018	2017
Stocks	$ 1,357,497	$ 2,450
Partnership Funds	1,341,244	-
Others	30,641	71,795
	$ 2,729,382	$ 74,245

24. IMPAIRMENT LOSS ON ASSETS

	For the Six Months Ended June 30, 2017
Impairment loss on financial assets measured at cost	$ 353,601
Others	495
	$ 354,096

25. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2018	2017
Property and equipment	$ 18,923	$ 22,089
Investment property	9,188	7,876
Other non-current assets	8,524	8,505
	$ 36,635	$ 38,470

(Continued)

	For the Six Months Ended June 30	
	2018	2017
An analysis of depreciation by function		
Operating expenses	$ 18,923	$ 22,089
Non-operating expenses	9,188	7,876
	$ 28,111	$ 29,965
An analysis of amortization by function		
Operating expenses	$ 8,524	$ 8,505

(Concluded)

26. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2018	2017
Employee benefit expense		
Salaries and wages	$ 459,174	$ 397,841
Employee insurance	19,651	18,898
Pension	9,511	7,598
Others	41,835	32,756
	$ 530,171	$ 457,093
An analysis by function		
Operating expense	$ 530,171	$ 457,093

To comply with the Company Act, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved by the board of directors which was authorized to assume the function of the shareholders' meeting to distribute the compensation of employees at the rates no less than 1% of net profit before paying income tax and the compensation of employees. However, if the Corporation had incurred cumulative losses, the profit should be used to offset the losses. For the six months ended June 30, 2018 and 2017, the compensation of employees was estimated at $26,643 thousand and $17,138 thousand, respectively.

For the years ended December 31, 2017 and 2016, the compensation of employees was $35,000 thousand and $16,000 thousand approved by the board of directors on March 26, 2018 and March 27, 2017, respectively.

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

There was no difference between the amounts recognized in the financial statements for the years ended December 31, 2017 and 2016.

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).

27. OTHER GAINS AND LOSSES

	For the Six Months Ended June 30	
	2018	2017
Rent revenue	$ 57,700	$ 53,649
Other revenue	14,846	9,374
Other loss	(9,312)	(8,193)
	$ 63,234	$ 54,830

28. INCOME TAX

a. Income tax expense

	For the Six Months Ended June 30	
	2018	2017
Current income tax		
Current period	$ (87,762)	$ (163,642)
Prior periods	9,011	7,448
	(78,751)	(156,194)
Deferred income tax	(66,346)	-
Income tax expense	$ (145,097)	$ (156,194)

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

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

	June 30, 2018	December 31, 2017	June 30, 2017
Tax charged to the parent company	$ 339,279	$ 339,279	$ 339,279
Tax paid to the parent company	$ 374,545	$ 323,549	$ 518,115

c. Income tax assessments

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

The Corporation's income tax returns through 2013 had been examined by the tax authorities.

Income tax returns of CDIB Capital Management Corp., through 2016 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation through 2013 had been examined by the tax authorities.

29. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the six months ended June 30, 2018			
Net profit attributable to shareholders of parent company	$ 2,515,674	2,041,116	$ 1.23
For the six months ended June 30, 2017			
Net profit attributable to shareholders of parent company	$ 1,561,549	2,060,400	$ 0.76

30. DISPOSAL OF SUBSIDIARIES

On March 13, 2017, the Parent company holds China Development Asset Management Corporation which was held by the Corporation directly.

a. Consideration received from the disposal is cash $2,321,887 thousand.

b. Analysis of assets and liabilities on the data control was lost.

Current assets (including cash and cash equivalents $645,513)	$ 1,765,413
Non-current assets	1,465,310
Current liabilities	(908,150)
Non-current liabilities	(686)
Net assets disposed of investment	$ 2,321,887

31. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. And it’s subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. And it’s subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company (Note 1)
China Development Asset Management Corp.	Subsidiary of the parent company (Note 2)
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
Others	Other related parties

Note 1: Since the public tender offer of the parent company, it became the related party.

Note 2: Formerly the subsidiary of the Corporation, which has been directly held by parent company since 2017. It became the subsidiary of the parent company.

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

	Amount	%
June 30, 2018		
KGI Commercial Bank Co., Ltd.	$ 7,105,423	46
Subsidiary of the parent company	13,107	-
December 31, 2017		
KGI Commercial Bank Co., Ltd.	5,181,112	40
Subsidiary of the parent company	21,632	-
June 30, 2017		
KGI Commercial Bank Co., Ltd.	5,630,227	49
Subsidiary of the parent company	31,413	-

For the six months ended June 30, 2018 and 2017, the interest revenues from cash in bank were $24,389 thousand and $43,147 thousand, respectively.

b. Accrued income (recognized as other receivables)

	Amount	%
June 30, 2018		
CDIB Capital Asia Partners L.P	$ 242,780	21
CDIB & Partners Investment Holding Corporation	125,280	11
December 31, 2017		
CDIB Capital Asia Partners L.P	118,497	22
June 30, 2017		
CDIB Capital Asia Partners L.P	121,440	19
CDIB & Partners Investment Holding Corporation	75,168	11

c. Other receivables - other

	Amount	%
June 30, 2018	$ 10,785	1
December 31, 2017	5,760	1
June 30, 2017	18,741	3

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

	June 30, 2018		December 31, 2017		June 30, 2017	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 339,279	98	$ 339,279	98	$ 339,279	98

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

e. Stock holdings (recognized as available-for-sale financial assets - non-current)

	Amount	**%**
June 30, 2017	$ 182,305	2

f. Payables (recognized as other payables)

	Amount	**%**
June 30, 2018	$ 9,691	1
December 31, 2017	9,691	1
June 30, 2017	14,604	2

g. Dividends payable

	Amount	**%**
June 30, 2017		
Parent company	$ 2,343,237	100

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

	June 30, 2018		December 31, 2017		June 30, 2017	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 374,545	95	$ 323,549	97	$ 518,115	97

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

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

	Amount	**%**
June 30, 2018	$ 26,801	5
December 31, 2017	26,533	5
June 30, 2017	26,078	5

j. Consulting service revenues

		Amount	%
For the six months ended June 30, 2018			
CDIB Capital Asia Partners L.P	$	117,949	37
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		43,441	14
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		32,581	10
Other related parties		99,413	31
For the six months ended June 30, 2017			
CDIB Capital Asia Partners L.P		122,325	46
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		41,814	16
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		31,361	12
Other related parties		31,067	12

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

		Amount	%
For the six months ended June 30, 2018			
KGI Commercial Bank Co., Ltd.	$	39,337	62
Parent company		8,173	13
Subsidiary of the parent company		2,292	4
Other related parties		3,828	6
For the six months ended June 30, 2017			
KGI Commercial Bank Co., Ltd.		38,446	70
Parent company		7,886	14
Subsidiary of the parent company		2,292	4
Other related parties		3,830	7

The rent was based on market prices and receivable quarterly.

l. Compensation of key management personnel

	For the Six Months Ended June 30	
	2018	2017
Salary and short-term benefits	$ 83,596	$ 76,976
Post-employment benefits	463	416
Share-based payment	412	412
	$ 84,471	$ 77,804

32. RISK OF CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

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

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

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

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

June 30, 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 investments	$ 4,280,859	$ 101,596	$ 7,542,590	$ 11,925,045
Partnership fund investments	-	-	6,891,106	6,891,106
Others	-	-	4,838,919	4,838,919
Financial assets designated as at FVTPL	-	-	439,120	439,120
Financial assets at FVTOCI				
Bond investments	-	159,731	-	159,731

December 31, 2017

(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 designated as at FVTPL	$ -	$ -	$ 971,150	$ 971,150
Available-for-sale financial assets				
Stock investments	10,203,443	127,973	435,236	10,766,652
Bond investments	-	160,548	-	160,548

June 30, 2017

(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 held for trading				
Stock investments	$ 90,548	$ -	$ -	$ 90,548
Financial assets designated as at FVTPL	-	-	846,347	846,347
Available-for-sale financial assets				
Stock investments	10,101,520	133,145	371,205	10,605,870
Bond investments	-	160,093	-	160,093

3) Financial instruments measured at fair value

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

4) Movement of financial instrument hierarchy between Level I and Level II

There is no movement of financial instrument hierarchy between Level I and Level II for the six months ended June 30, 2018.

The main reason for hierarchy transfer of financial instrument is due to changes of market liquidity in the six months ends in June 30, 2017 affected partly valuation sources of some holding government bond.

	For the Six Months Ended in June 30, 2017	
	From Level I to Level II	From Level II to Level I
Available-for-sale financial assets - bond investments	$ 50,789	$ -

5) Reconciliation of Level III items of financial instruments

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

For the Six Months Ended June 30, 2018

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level III	Sale, Disposal, Settlement or Derecognition	Transfer from Level III	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 17,624,940	$ 1,195,697	$ 1,127,639	$ -	$ 675,661	$ -	$ 19,272,615
Financial assets designated as at FVTPL	457,036	37,544	6,828	-	62,288	-	439,120

For the Six Months Ended June 30, 2017

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level III	Sale, Disposal, Settlement or Derecognition	Transfer from Level III	
Financial assets at FVTPL							
Financial assets held for trading	$ 9,824	$ -	$ -	$ -	$ 9,824	$ -	$ -
Financial assets designated as FVTPL	174,265	70,246	601,836	-	-	-	846,347
Available-for-sale financial assets	307,895	(47,883)	111,193	-	-	-	371,205

The total gains or losses for the six months ended June 30, 2018 and 2017 included loss of $1,771,407 thousand and $70,246 thousand relating to assets and liabilities measured at fair value on Level III fair value measurement and held at the end of reporting date.

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

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

	Fair Value at June 30, 2018	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items Non-derivative financial assets					
Financial assets at FVTPL	$ 19,711,735	Market approach	EV/Sales P/B P/S Lack of liquidity discount	0.58-3.9 0.74-3.3 0.49-11.87 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 10.87%-12.63% 3%-7%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount Non-controlling Interest discount	23%-29% 11%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	32%-40%	When the higher returns on stock value volatility, the higher of fair value.
		Recent strike price	-	-	-

	Fair Value at December 31, 2017	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	$ 971,150	Market approach	P/B Lack of liquidity discount	2.34 26%	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	26% 11.44% 3.0%	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.
		Recent strike price	-	-	-
		Net asset method	-	-	-
Available-for-sale financial assets	435,236	Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	20% 12.1%-15.4% 2.5%-7.0%	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.
		Recent strike price	-	-	-

	Fair Value at June 30, 2017	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basis to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 846,347	Market approach	EV/EBITDA Multiple Lack of liquidity discount	8.76 15%	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	15% 11.53% 3.0%	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.
		Recent strike price			
		Net asset method			
Available-for-sale financial assets	371,205	Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	20% 12.1%-15.4% 2.5%-7.0%	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.
		Recent strike price	-	-	-

7) Pricing process of level III fair value

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

b. Financial instruments not carried at fair value

Financial instruments measured at cost, excluding investment properties, investments accounted for using equity method - unlisted stocks, and financial assets measured at cost, have carrying amounts that are reasonably close to their fair value; thus, their fair values are not disclosed.

Investments accounted for using the equity method - unlisted stocks and financial assets measured at cost both are unlisted financial assets, which have no quoted market prices in an active market and the fair value cannot be reliably measured owing to the variation interval of the estimate of the fair value is not quite small and the possibilities of the estimates in the interval cannot be assessed reasonably; thus, the Corporation does not disclose their fair value.

For fair value measurement of investment property, please refer to Note 15.

c. Categories of financial instruments

	June 30, 2018	December 31, 2017	June 30, 2017
Financial assets			
Fair value through profit or loss (FVTPL)			
Financial assets mandatorily classified as at FVTPL	$ 23,655,070	$ -	$ -
Held for trading	-	341,369	435,829
Designated as at FVTPL	439,120	971,150	846,347
	$ 24,094,190	$ 1,312,519	$ 1,282,176
Loans and receivables			
Cash and cash equivalent	$ 15,293,796	$ 12,783,198	$ 11,569,843
Other receivables	1,167,264	548,790	650,521
Others	65,744	59,687	76,340
	$ 16,526,804	$ 13,391,675	$ 12,296,704
Available-for-sale financial assets			
Available-for-sale financial assets	$ -	$ 10,927,200	$ 10,765,963
Financial assets measured at cost	-	13,997,653	15,605,157
	$ -	$ 24,924,853	$ 26,371,120
Fair value through other comprehensive income			
Debt investments	$ 159,731	$ -	$ -
Financial liabilities			
Amortized cost			
Other payables	$ 692,524	$ 881,365	$ 2,951,864
Others	408,354	398,899	392,971
	$ 1,100,878	$ 1,280,264	$ 3,344,835

d. Risk management policies and objective

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

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

1) Market risk

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

a) Foreign currency rate risk information

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

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2018		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 224,263	30.500	$ 6,840,035
HKD	130,654	3.887	507,852
CNY	88,220	4.600	405,848
KRW	6,940,511	0.027	189,767
JPY	417,233	0.276	115,031
Investment accounted for using the equity method			
CNY	687,882	4.600	3,164,533
USD	95,667	30.500	2,917,850
Financial liabilities			
Monetary items			
USD	36,853	30.500	1,124,026

	December 31, 2017		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
<u>Financial assets</u>			
Monetary items			
USD	$ 268,954	29.848	$ 8,027,743
HKD	125,165	3.819	478,007
CNY	70,069	4.579	320,838
KRW	6,938,074	0.028	194,162
JPY	429,684	0.265	113,823
Investment accounted for using the equity method			
CNY	664,905	4.579	3,044,534
USD	92,247	29.848	2,753,391
<u>Financial liabilities</u>			
Monetary items			
USD	40,011	29.848	1,194,258

	June 30, 2017		
	Foreign Currencies	**Exchange Rate (Dollar)**	**New Taiwan Dollars**
<u>Financial assets</u>			
Monetary items			
USD	$ 246,856	30.436	$ 7,513,313
HKD	116,075	3.899	452,578
CNY	78,676	4.490	353,083
KRW	6,669,220	0.027	177,168
JPY	429,353	0.272	116,612
Investment accounted for using the equity method			
USD	87,644	30.436	2,667,530
CNY	669,143	4.490	3,004,115
<u>Financial liabilities</u>			
Monetary items			
USD	15,898	30.436	483,869

<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 an increase in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Impact to Profit or Loss For the Six Months Ended June 30	
	2018	**2017**
Monetary items		
USD	$ 57,160	$ 70,294
HKD	5,079	4,526
CNY	4,058	3,531
KRW	1,898	1,772
JPY	1,150	1,166

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of June 30, 2018 and 2017 were cash in banks. Management believes that interest rate changes would have been no significant effect on the Corporation and subsidiaries.

c) Other price risk

The Corporation and subsidiaries were exposed to equity price risk through its investments in principal investment business. The Corporation manages this exposure by setting risk acceptance limitation concerning industry, country, affiliated groups, and the same group.

If equity prices had been 1% higher/lower, the post-tax income for the six months ended June 30, 2018 would increase/decrease by $231,972 thousand, as a result of the changes in fair value of financial assets at fair value through profit or loss.

If equity prices had been 1% higher/lower, the post-tax other comprehensive income for the six months ended June 30, 2017 would increase/decrease by $4,127 thousand, as a result of the changes in fair value of financial assets held for trading.

If equity prices had been 1% higher/lower, the post-tax other comprehensive income for the six months ended June 30, 2017 would increase/decrease by $106,059 thousand, as a result of the changes in fair value of available-for-sale financial assets.

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, deconcentration of capital sources and reasonable liquidity of liability structure.

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

As of June 30, 2018, December 31, 2017 and June 30, 2017, other financial liabilities are $378,846 thousand, $370,737 thousand and $364,557 thousand, respectively, and will be paid by financial assets and the rest of nonderivative financial liabilities are $722,032 thousand, $909,527 thousand and $2,980,278 thousand, respectively, and are mainly all current liabilities.

34. 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$378,846 thousand based on the exchange rate of June 30, 2018) was reclassified to “other financial liabilities”. The litigation had not yet been concluded as of June 30, 2017. In addition, Morgan Stanley overlooked the Corporation’s efforts and terminated interest rate swap (IRS) contracts (nominal principal amount: KRW24,000,000 thousand) and CDS contracts (nominal principal amount: JPY586,510 thousand) in August 2010, the Corporation reserves the right of legal proceedings.

b. Securities and Futures Investors Protection Center sued CDIB Capital Management Corporation and claimed that due to the fact that CDIB Capital Management Corporation is the corporate director of Powercom Ltd., CDIB Capital Management Corporation have but not performed sufficient audits on the contents disclosed in the financial statements which failed to comply the obligation of being a good administrator. Therefore, the plaintiff demanded compensation of $592,648 thousand and related interests from CDIB Capital Management Corporation and Powercom Ltd. CDIB Capital Management Corporation and Powercom Ltd. could not estimate the related possible loss because the case was currently pending in the Taipei District Court and the final outcome of the court is uncertain.

35. SIGNIFICANT EVENTS AFTER REPORTING PERIOD

On July 30, 2018, the Corporation’s board of the directors was entitled to execute shareholders’ meeting functions. According to the Article 241 of Company Act, the board of the directors approved the distribution of cash dividend of $4,100,000 thousand from capital surplus arising from issuance of common stock and $900,000 thousand from legal reserve to shareholders.

36. ADDITIONAL DISCLOSURES

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

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

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

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

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

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

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

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

8) Receivables from related parties amounting to NT$100 million or 20% of the issued capital: Please refer to Note 31 to the consolidated financial statements and Table 3 (attached).

9) Derivative transactions: None.

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

c. Information on investments in mainland China

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

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

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

37. SEGMENT INFORMATION

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership	Fair Value	
The Corporation	Stocks							
	China Metal Products Co., Ltd.	-	Financial assets at fair value through profit or loss	5,908,003	$ 169,855	1.53	$ 169,855	
	Taiwan Stock Exchange	-	Financial assets at fair value through profit or loss	48,604,914	3,293,751	7.00	3,293,751	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss	1,400,248	148,426	0.85	148,426	
	Logitech Inc.	-	Financial assets at fair value through profit or loss	2,965,248	38,039	10.69	38,039	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	4,828,064	14,341	10.83	14,341	
	Gold Peak Industries (Taiwan) Ltd.	-	Financial assets at fair value through profit or loss	30,616,980	9,853	15.04	9,853	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	81,773	6.04	81,773	
	National Glory Development Corp.	-	Financial assets at fair value through profit or loss	646,884	4,179	6.47	4,179	
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	105,000	9,293	0.09	9,293	
	TopGreen Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	633,377	5,555	1.17	5,555	
	Powertech Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	2,867,596	42,584	2.92	42,584	
	Everest Display Inc.	-	Financial assets at fair value through profit or loss	408,760	1,244	2.49	1,244	
	Insrea Game Center Corporation	-	Financial assets at fair value through profit or loss	3,000,000	866	17.65	866	
	Hair O'right International Corp.	-	Financial assets at fair value through profit or loss	1,835,837	93,189	9.02	93,189	
	DaBomb Protein Corp.	-	Financial assets at fair value through profit or loss	3,284,568	96,665	12.79	96,665	
	Power Venture Co.	-	Financial assets at fair value through profit or loss	769,597	7,392	5.68	7,392	
	Ori Vita Bio Application Inc.	-	Financial assets at fair value through profit or loss	858,690	6,172	0.42	6,172	
	Echem Hightech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,535,934	9,301	11.69	9,301	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,000,000	33,142	9.91	33,142	
	E-one Moli Energy Corp.	-	Financial assets at fair value through profit or loss	6,875,493	68,755	2.28	68,755	
	Jouge Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,568,700	1,322	9.68	1,322	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	46,064	13.96	46,064	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	12,316,000	109,120	4.31	109,120	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	15,226	1.92	15,226	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	26,618	8.40	26,618	
	Mec Imex Inc.	-	Financial assets at fair value through profit or loss	4,802,000	52,470	10.52	52,470	
	Copartner Technology Corporation	-	Financial assets at fair value through profit or loss	2,736,340	61,568	3.22	61,568	
	Chain Yarn Corporation	-	Financial assets at fair value through profit or loss	15,828,324	147,362	10.30	147,362	
	Yieh United Steel Corp.	-	Financial assets at fair value through profit or loss	9,485,622	61,751	0.36	61,751	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	1,300,403	11,831	6.45	11,831	
	AMIA Co.	-	Financial assets at fair value through profit or loss	6,000,000	114,900	9.54	114,900	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	63,436	6.85	63,436	
	PlexBio Co., Ltd.	-	Financial assets at fair value through profit or loss	3,526,000	61,423	5.07	61,423	
	Riselink Restructuring Fund Corporation	-	Financial assets at fair value through profit or loss	5,771,370	52,941	12.50	52,941	
	5V Technologies, Ltd.	-	Financial assets at fair value through profit or loss	159,435	1,000	0.83	1,000	
	Solartech Energy Corp.	-	Financial assets at fair value through profit or loss	4,019,266	43,408	1.07	43,408	
	Top Green Energy Technologies, Inc.	-	Financial assets at fair value through profit or loss	16,240,740	2,369	12.99	2,369	
	Awise Fiber Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,500,000	2,868	18.15	2,868	
	Biodenta Corporation	-	Financial assets at fair value through profit or loss	150,000	44	1.67	44	
	Orient Pharma Co., Ltd.	-	Financial assets at fair value through profit or loss	2,857,800	51,869	1.83	51,869	
	Wai-Gin Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	1,170,000	2,143	3.44	2,143	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	7,567,424	82,184	5.64	82,184	
	Kuangli Photoelectric Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,662,326	58,046	10.21	58,046	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	39,169	6.47	39,169	
	HCT Logistics Co., Ltd.	-	Financial assets at fair value through profit or loss	4,920,876	139,310	1.97	139,310	
	Topview Optronics Corp.	-	Financial assets at fair value through profit or loss	1,526,000	48,527	6.63	48,527	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2018 Shares/Face Value/Units	Carrying Value	Percentage of Ownership	Fair Value	Note
	Vita Genomics, Inc.	-	Financial assets at fair value through profit or loss	77,720	$ 664	0.13	$ 664	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	3,224,867	187,687	4.03	187,687	
	Sunko Ink Co., Ltd.	-	Financial assets at fair value through profit or loss	8,199,788	86,098	3.69	86,098	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,118,764	7,363	6.27	7,363	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	69,207	5.83	69,207	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	34,742	1.38	34,742	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,308,026	91,459	7.83	91,459	
	Nan Pao Resins Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	1,293,232	181,040	1.19	181,040	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	4,300,000	44,656	4.77	44,656	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	2,494,309	35,282	5.28	35,282	
	Chipsip Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	1,915,288	5,172	4.56	5,172	
	Terawins, Inc.	-	Financial assets at fair value through profit or loss	1,913,996	10,294	6.30	10,294	
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss	1,341,803	16,102	4.03	16,102	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through profit or loss	2,731,098	20,772	10.57	20,772	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	9,289	10.43	9,289	
	Luxtaltek Corporation	-	Financial assets at fair value through profit or loss	1,535,188	4,369	2.47	4,369	
	Donpon Precision Inc.	-	Financial assets at fair value through profit or loss	73,000	1,205	0.07	1,205	
	Overseas Investment & Development Corp.	-	Financial assets at fair value through profit or loss	2,600,000	16,114	2.89	16,114	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	38,896	7.95	38,896	
	Pili International Multimedia Co., Ltd.	-	Financial assets at fair value through profit or loss	657,000	33,310	1.37	33,310	
	Lefram Technology Corporation	-	Financial assets at fair value through profit or loss	7,484,454	48,724	17.48	48,724	
	TAK Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,467,706	1,440	4.14	1,440	
	Luminous Town Electric Co., Ltd.	-	Financial assets at fair value through profit or loss	2,303,749	23,037	3.45	23,037	
	Engineering & IP Advanced Technologies Ltd.	-	Financial assets at fair value through profit or loss	4,216	7	-	7	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	121,247	4.81	121,247	
	JHL. Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	528,119	3.80	528,119	
	Easten Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	193,234	12.00	193,234	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	217,622	8.02	217,622	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	3,675,000	32,415	0.36	32,415	
	Entery Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	8,364,000	18,821	11.22	18,821	
	Engineering & IP Advanced Technologies Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	6,392,765	10,726	0.35	10,726	
	Lightel Technologies, Inc.	-	Financial assets at fair value through profit or loss	3,000,000	90,330	43.44	90,330	
	Apexigen, Inc.	-	Financial assets at fair value through profit or loss	4,970,588	59,717	9.59	59,717	
	Leyou, Inc.	-	Financial assets at fair value through profit or loss	663,958,732	626,822	75.00	626,822	
	Fund							
	CommLaunch	-	Financial assets at fair value through profit or loss	-	42,114	-	42,114	
	ARCH Venture Fund V, L.P.	-	Financial assets at fair value through profit or loss	-	6,425	-	6,425	
	FORWARD VENTURES IV, L.P.	-	Financial assets at fair value through profit or loss	-	26,090	-	26,090	
	Forward Venture V	-	Financial assets at fair value through profit or loss	-	27,527	-	27,527	
	MPM Bioventures III L.P.	-	Financial assets at fair value through profit or loss	-	18,062	-	18,062	
	Sanderling	-	Financial assets at fair value through profit or loss	-	13,960	-	13,960	
	Samara Capital Partners Fund I Limited	-	Financial assets at fair value through profit or loss	-	137,402	-	137,402	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	574,182	-	574,182	
	CA-Hire Co-Investment	-	Financial assets at fair value through profit or loss	-	16,622	-	16,622	
	Corporate bond							
	Belta (Cayman) Holding Limited	-	Financial assets at fair value through profit or loss	11,959,916	7,663	-	7,663	
	Government bonds							
	A00109	-	Fair value through other comprehensive income financial assets	7,000,000	7,137	-	7,137	
	A01105	-	Fair value through other comprehensive income financial assets	100,000,000	102,135	-	102,135	
	A03115	-	Fair value through other comprehensive income financial assets	50,000,000	50,459	-	50,459	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership	Fair Value	
CDIB Capital Management Inc.	Stocks							
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss	188,000	$ 19,928	0.11	$ 19,928	
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	65,660	5,811	0.05	5,811	
	MCM Stamping Co., Ltd.	-	Financial assets at fair value through profit or loss	70,000	372	0.22	372	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	783,000	8,504	0.58	8,504	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	235,474	818	0.70	818	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,286	1.44	1,286	
	Pili International Multimedia Co., Ltd.	-	Financial assets at fair value through profit or loss	300,000	15,210	0.63	15,210	
	Luminous Town Electric Co., Ltd.	-	Financial assets at fair value through profit or loss	358,883	3,589	0.54	3,589	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	101,240	4,094	0.13	4,094	
CDIB Venture Capital Corporation	Stocks							
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	1,408,659	27,258	2.01	27,258	
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	824,500	11,693	0.00	11,693	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	4,143	1.24	4,143	
	Anpec Electronics Corporation	-	Financial assets at fair value through profit or loss	2,950,011	173,461	2.87	173,461	
	HIM International Music Inc.	-	Financial assets at fair value through profit or loss	387,656	56,985	0.82	56,985	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500,000	6,823	4.22	6,823	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,608,600	155,307	4.80	155,307	
	Chain Yarn Corporation	-	Financial assets at fair value through profit or loss	550,653	5,127	0.36	5,127	
	Dynamic Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss	3,285,131	32,654	1.17	32,654	
	Dyaco Co., Ltd.	-	Financial assets at fair value through profit or loss	4,476,500	156,230	4.82	156,230	
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,809,000	78,708	2.69	78,708	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	45,000	1.70	45,000	
	Solartech Energy Corp.	-	Financial assets at fair value through profit or loss	5,215,328	47,882	1.39	47,882	
	Top Green Energy Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,111,111	162	0.89	162	
	DL-tek Co., Ltd.	-	Financial assets at fair value through profit or loss	3,772,331	7,851	1.03	7,851	
	Biodenta Corporation	-	Financial assets at fair value through profit or loss	129,999	38	1.44	38	
	Enterex International Limited	-	Financial assets at fair value through profit or loss	1,594,000	43,676	1.59	43,676	
	Sum Max Tech. Limited	-	Financial assets at fair value through profit or loss	2,875,481	248,729	12.13	248,729	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	1,364,000	87,705	3.57	87,705	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	5,708,562	702,153	0.96	702,153	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	800,000	127,032	0.68	127,032	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	6,477,527	7,073	14.81	7,073	
	Cvie Therapeutics Limited	-	Financial assets at fair value through profit or loss	846,351	69,443	4.15	69,443	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	5,841,702	195,280	19.47	195,280	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	630,518	2,191	1.87	2,191	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,725,007	54,311	4.57	54,311	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,528,901	117,379	10.05	117,379	
	Chipsip Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	428,928	1,158	1.02	1,158	
	Sunfun Info Co., Ltd	-	Financial assets at fair value through profit or loss	267,000	17,622	1.87	17,622	
	Share Hope Medicine Co., Ltd.	-	Financial assets at fair value through profit or loss	234,846	8,126	0.25	8,126	
	Greatland Electronics Taiwan Ltd.	-	Financial assets at fair value through profit or loss	1,920,000	14,971	5.50	14,971	
	Luxtaltek Corporation	-	Financial assets at fair value through profit or loss	124,474	354	0.20	354	
	Topoint Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,333,383	48,534	1.46	48,534	
	Aces Electronics Co., Ltd.	-	Financial assets at fair value through profit or loss	2,850,421	60,714	2.33	60,714	
	Shengzhuang Holdings Limited	-	Financial assets at fair value through profit or loss	610,590	21,661	6.11	21,661	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	121,247	4.81	121,247	
	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	514,821	2,206	-	2,206	
	Cvie Therapeutics Company Limited	-	Financial assets at fair value through profit or loss	560,000	14,495	4.15	14,495	
	Shane Global Holding Inc.	-	Financial assets at fair value through profit or loss	1,715,700	177,395	1.72	177,395	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	70,543	10.23	70,543	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	202,480	8,187	0.25	8,187	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	1,470,000	12,966	0.14	12,966	
	iCHEF Co., Ltd.	-	Financial assets at fair value through profit or loss	11,167,513	79,575	40.74	79,575	
	4Gamers Entertainment Inc.	-	Financial assets at fair value through profit or loss	32,727	21,960	24.80	21,960	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	504,878	21,350	19.16	21,350	
	Citiesocial Holding Cayman Co., Ltd.	-	Financial assets at fair value through profit or loss	479,635	15,250	18.18	15,250	
	Uimbo CV Inc.	-	Financial assets at fair value through profit or loss	1,394,145	21,350	10.29	21,350	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership	Fair Value	
	CCMODA Corp.	-	Financial assets at fair value through profit or loss	666,666	$ 15,250	20.00	$ 15,250	
	Zentera Systems, Inc.	-	Financial assets at fair value through profit or loss	1,324,503	72,372	39.35	72,372	
	Kneron, Inc.	-	Financial assets at fair value through profit or loss	1,546,391	70,290	10.00	70,290	
	Funp Co., Ltd.	-	Financial assets at fair value through profit or loss	400,000	43,920	20.00	43,920	
	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	168,138	13,179	6.67	13,179	
	CBA Sports International Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	2,402,500	10,294	13.73	10,294	
	Derbysoft Holdings Limited - Preferred stock A	-	Financial assets at fair value through profit or loss	28,000,000	101,157	45.78	101,157	
	Derbysoft Holdings Limited - Preferred stock B	-	Financial assets at fair value through profit or loss	4,643,469	16,776	9.26	16,776	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	15,257	0.74	15,257	
	Convertible (exchange) corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	2,000	119,242	-	119,242	
CDIB Capital Investment I Limited	Stocks							
	DaChan Food (Asia) Limited	-	Financial assets at fair value through profit or loss	11,297,000	US$ 713	1.11	US$ 713	
	Global Sweeteners Holdings Ltd.	-	Financial assets at fair value through profit or loss	2,780,000	US$ 51	0.18	US$ 51	
	Casper Sleep, Inc.	-	Financial assets at fair value through profit or loss	266,690	US$ 7,570	20.05	US$ 7,570	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 6,756	11.11	US$ 6,756	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	13,722,047	US$ 7,826	3.40	US$ 7,826	
	Great Team Backend Foundry, Inc.	-	Financial assets at fair value through profit or loss	1,636,800	US$ 752	1.81	US$ 752	
	Rokid Corporation Ltd	-	Financial assets at fair value through profit or loss	615,642	US$ 5,000	1.51	US$ 5,000	
	Simplify Compliance Holding, LLC.	-	Financial assets at fair value through profit or loss	8,500,000	US$ 9,285	8.74	US$ 9,285	
	Fund							
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US$ 155	-	US$ 155	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 9,668	-	US$ 9,668	
	Ripley Cable Holdings I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 2,752	-	US$ 2,752	
	Corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	41,875,000	US$ 6,389	-	US$ 6,389	
	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$ 8,361	-	US$ 8,361	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,489	US$ 4,000	-	US$ 4,000	
	Giddy Inc.	-	Financial assets at fair value through profit or loss	586,003	US$ 6,500	-	US$ 6,500	
Subicvest, Inc.	Stocks							
	SPEC Properties, Inc.	-	Financial assets at fair value through profit or loss	242,683	PHP 2,590	3.44	PHP 2,590	
CDIB Capital Investment II Limited	Stocks							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$ 3,504	2.46	US$ 3,504	
	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	992,674	US$ 23,375	4.53	US$ 23,375	
	Indostar Everstone	-	Financial assets at fair value through profit or loss	992,332	US$ 23,256	9.37	US$ 23,256	
	CBA Sports International Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	2,375,000	US$ 334	13.57	US$ 334	
CDIB Global Markets Limited	Stocks							
	Light Sciences Oncology, Inc.	-	Financial assets at fair value through profit or loss	250,000	US$ 5	0.28	US$ 5	
	Facebook Inc.	-	Financial assets at fair value through profit or loss	575	US$ 112	-	US$ 112	
	Optoplex Corporation	-	Financial assets at fair value through profit or loss	55	US$ -	-	US$ -	
	GoPro, Inc.	-	Financial assets at fair value through profit or loss	51,878	US$ 334	0.04	US$ 334	
	Flemingo International (BVI) Ltd.	-	Financial assets at fair value through profit or loss	1,048	US$ 40,434	50.19	US$ 40,434	
	Optoplex Corporation - Preferred stock A	-	Financial assets at fair value through profit or loss	7,956	US$ 4	0.42	US$ 4	
	Sonics, Inc.	-	Financial assets at fair value through profit or loss	114,359	US$ 12	14.74	US$ 12	
	Microfabrica, Inc. - Preferred stock B	-	Financial assets at fair value through profit or loss	13,091	US$ 16	0.12	US$ 16	
	Optoplex Corporation - Preferred stock B	-	Financial assets at fair value through profit or loss	20,602	US$ 10	0.75	US$ 10	
	Microfabrica, Inc. - Preferred stock AC	-	Financial assets at fair value through profit or loss	7,749	US$ 9	0.48	US$ 9	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership	Fair Value	
CDIB Global Markets Limited	Fund							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$ 7,857	-	US$ 7,857	
	GS TDN Investors Offshore, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 525	-	US$ 525	
	CX Partners Fund Alpha Limited	-	Financial assets at fair value through profit or loss	-	US$ 8,042	-	US$ 8,042	
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,303	-	US$ 4,303	
	Riverwood Capital Partners L.P.	-	Financial assets at fair value through profit or loss	-	US$ 4,757	-	US$ 4,757	
	ECP II (Cayman) Ltd. A	-	Financial assets at fair value through profit or loss	-	US$ 9,104	-	US$ 9,104	
	Sino-Century China Private Equity II L. P.	-	Financial assets at fair value through profit or loss	-	US$ 384	-	US$ 384	
	KKR Asian Fund II L.P.	-	Financial assets at fair value through profit or loss	-	US$ 8,352	-	US$ 8,352	
	Carlyle Asia Partners IV, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 25,762	-	US$ 25,762	
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 39,023	-	US$ 39,023	
	Tenaya Capital V, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 5,124	-	US$ 5,124	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	US$ 9,413	-	US$ 9,413	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 1,620	-	US$ 1,620	
	Industry Ventures Fund VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 3,501	-	US$ 3,501	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 8,286	-	US$ 8,286	
	Tenaya Capital VI, LP	-	Financial assets at fair value through profit or loss	-	US$ 7,014	-	US$ 7,014	
	Formation8 Partners Fund I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 7,843	-	US$ 7,843	
	Blue Point Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 6,690	-	US$ 6,690	
	Riverwood Capital Partners II L.P.	-	Financial assets at fair value through profit or loss	-	US$ 13,578	-	US$ 13,578	
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 13,910	-	US$ 13,910	

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 SIX MONTHS ENDED JUNE 30, 2018
(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													
	Qisda Corporation	Financial assets at fair value through profit or loss	-	-	148,867,816	$ 2,974,383	-	$ -	148,867,816	$ 3,404,898	$ 2,974,383	430,515	-	$ -
	Chipbond Technology Corporation	Financial assets at fair value through profit or loss	-	-	7,971,229	356,735	-	-	7,971,229	502,519	356,735	145,784	-	-
	Globalwafers. Co., Ltd.	Financial assets at fair value through profit or loss	-	-	1,758,072	123,960	-	-	1,758,072	865,618	123,960	741,658	-	-
	Sino-American Silicon Products Inc.	Financial assets at fair value through profit or loss	-	-	3,423,956	173,252	-	-	3,423,956	429,316	173,252	256,064	-	-
CDIB Global Markets Limited	Fund													
	Carlyle Giovanna Partners, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ 12,858	-	-	-	US$ 26,144	US$ 2,520	US$ 23,624	-	US$ 10,338
CDIB Capital Investment I Limited	Fund													
	Ripley Cable Holdings I, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ -	-	-	-	US$ 10,785	US$ -	US$ 10,785	-	-

Note: Initial acquisition cost.

TABLE 3

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2018
(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	$ 339,279	-	$ -	-	$ -	$ -
	CDIB & Partners Investment Holding Corp.	Associates	125,280	-	-	-	125,280	-
CDIB Capital International Corporation	CDIB Capital Asia Partners L.P.	Associates	242,780	-	-	-	-	-

TABLE 4

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2018	December 31, 2017	Shares (In Thousands)	%	Carrying Amount			
The Corporation	CDIB Venture Capital Corporation	Taiwan	Venture fund	$ 8,036,942	$ 8,036,942	1,022,791	100.00	$ 9,986,534 (Note)	$ 481,040	481,272	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	621,761 (Note)	57,745	57,745	Subsidiary
	CDIB Global Markets Limited	Malaysia	Venture fund	5,835,154	5,835,154	339	100.00	8,847,814 (Note)	US$ 29,440	870,289	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Venture fund	4,156,297	4,156,297	132,800	100.00	8,087,674 (Note)	US$ 10,583	312,834	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Venture fund	1,417,214	1,417,214	45,000	100.00	1,845,626 (Note)	US$ (1,560)	(46,109)	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Management company of venture fund	193,164	193,164	4,700	100.00	633,991 (Note)	US$ 931	27,509	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,934,479	(394,125)	(113,141)	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	582,500	582,500	58,250	33.29	564,488	(78,333)	(26,074)	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	582,000	582,000	58,200	38.80	563,973	55,307	21,459	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	46,167	46,167	4,817	20.00	46,214	(523)	(149)	Associates
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	3,853	US$ (16)	(142)	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	150,000	150,000	15,000	35.71	145,002	(10,152)	Not applicable	Associates
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	3,465,800	3,465,800	870,000	100.00	3,423,097 (Note)	HK$ 27,786	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	262,509	318,194	-	-	282,620	136,910	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	299,253 (Note)	HK$ 5,717	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management company of venture fund and consulting	12,000	12,000	1,200	60.00	15,162 (Note)	5,083	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	17,500	17,500	1,750	1.00	16,959	(78,333)	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	15,000	15,000	1,500	1.00	14,535	55,307	Not applicable	Associates
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	10,492	10,267	-	-	11,498	136,910	Not applicable	Associates
CDIB Capital Investment I Limited	Subicvest Inc.	Philippines	Leasing	US$ 90	US$ 90	200	100.00	US$ 80	-	Not applicable	Subsidiary
	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 87,704	US$ 86,231	-	-	US$ 95,544	US$ 9,647	Not applicable	Associates
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Management company of venture fund	US$ 2,059	US$ 2,059	15,400	100.00	US$ 7,107 (Note)	HK$ 2,623	Not applicable	Subsidiary
	CDIB Capital International (Korea) Corporation	Korea	Management company of venture fund	US$ 5,270	US$ 5,270	1,848	100.00	US$ 5,858 (Note)	KRW 92,694	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Management company of venture fund	US$ 1,166	US$ 1,166	8,000	100.00	US$ 1,810 (Note)	US$ 81	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Management of private equity fund	-	-	-	100.00	US$ (67) (Note)	US$ (6)	Not applicable	Subsidiary

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2018
(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, 2018	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2018 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2018	Accumulated Inward Remittance of Earnings as of June 30, 2018
					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	$ 20,390	100.00	$ 20,390	$ 227,246	$ -
CDIB Private Equity (Fujian) Co., Ltd.	Management and consulting	CNY 10,000 thousand	Note 4	-	-	-	-	14,528	70.00	10,170	64,659	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	1,044	70.00	731	40,830	-
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	115,232	-	40,331	1,723,119	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Management and consulting	CNY 7,000 thousand	Note 5	-	-	-	-	9,084	65.00	5,904	45,298	-
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	2,045	65.00	1,330	36,588	-
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	215,778	-	64,734	1,441,414	-

Accumulated Investment in Mainland China as of June 30, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,794,875	US$321,871 thousand	$49,415,026

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third place by:

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

c. Other.

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

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

Note 3: Investment amount authorized or soon authorized by Investment Commission, MOEA.

(Continued)

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

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

(Concluded)

TABLE 6

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2018

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2018	December 31, 2017	June 30, 2017	
The Corporation	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	CDIB Global Markets Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital Investment I Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital International Corporation	Management company of venture fund	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Management of private equity fund	100.00	100.00	100.00	(Note)
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	27.08	27.08	4.33	
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	56.00	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co, Ltd.	Management and consulting	65.00	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Management and consulting	70.00	70.00	70.00	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	20.00	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co, Ltd.	CDIB Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	58.34	58.34	93.34	

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

(Continued)

Unconsolidated subsidiaries

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2018	December 31, 2017	June 30, 2017	
The Corporation	CDIB Biotech USA Investment Co., Ltd.	Venture fund	50.00	50.00	50.00	As of June 30, 2018, CDIB Capital Group’s investment in CDIB Biotech USA Investment Co., Ltd. of CDIB Capital Group had amounted to $0 thousand; CDIB Biotech USA Investment Co., Ltd. was approbated to liquidate by the Board of Director on April 20, 2008, therefore, CDIB Biotech USA Investment Co., Ltd. was not included in the consolidated financial statement.
CDIB Capital Investment I Limited	Subicvest Inc.	Leasing	100.00	100.00	100.00	As of June 30, 2018, CDIB Capital Investment I Limited’s investment in Subicvest Inc. of CDIB Capital Investment I Limited had amounted to US$80 thousand; Subicvest Inc. was approbated to liquidate by the Board of Director on May 24, 2016, therefore, Subicvest was not included in the consolidated financial statement.

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2018
(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 Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	$ 116,663	Note 4	4.64%
2	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	116,663	Note 4	4.64%

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.