CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2018 and 2017 and Independent Auditors’ Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2018 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

CDIB CAPITAL GROUP

By

March 25, 2019

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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 December 31, 2018 and 2017, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of CDIB Capital Group and subsidiaries as of December 31, 2018 and 2017, and its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2018 and 2017, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 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.

The key audit matter for the Corporation and its subsidiaries' consolidated financial statements for the year ended December 31, 2018 is stated as follows:

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

As stated in Note 32, the Corporation and subsidiaries held financial instruments measured at fair value with no quoted market prices in an active market that included financial assets belonging to the Level 2 or 3 category of fair value measurement which amounted to $15,605,857 thousand as of December 31, 2018. The amount is material to the consolidated financial statements as a whole as it accounts for 31% of the total assets of the consolidated financial statements. Management uses the valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in the valuation model include adjusted observable inputs and unobservable inputs. For the fact that the inputs involve material managerial estimation and judgment, we identified the fair value measurement of financial instruments as the key audit matter for the year ended December 31, 2018.

Refer to Notes 4, 5 and 32 for the relevant accounting policies, critical accounting judgments, estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

We understood and assessed the Corporation's internal control related to the evaluation of financial assets with no quoted market prices in an active market and its operational 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.

Other Matter

We have also audited the parent company only financial statements of the Corporation as of and for the years ended December 31, 2018 and 2017 on which we have issued an unmodified opinion thereon, respectively.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Mei Hui Wu   Cheng Hung Kuo

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 25, 2019

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

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

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018		2017	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6 and 30)	$ 16,274,078	32	$ 12,783,198	23
Financial assets at fair value through profit or loss - current (Notes 4, 8, 30 and 32)	230,354	1	-	-
Other receivables (Notes 7 and 30)	1,109,625	2	548,790	1
Current tax assets (Notes 4, 27 and 30)	323,548	1	347,209	1
Other current assets	551,142	1	60,106	-
Total current assets	18,488,747	37	13,739,303	25
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 12 and 32)	18,315,126	36	971,150	2
Financial assets at fair value through other comprehensive income - non-current (Note 4)	159,214	-	-	-
Available-for-sale financial assets - non-current (Note 9)	-	-	10,927,200	20
Financial assets measured at cost - non-current (Notes 10 and 12)	-	-	14,339,022	26
Debt investments with no active market - non-current	-	-	1,276,165	2
Investments accounted for using the equity method (Notes 11 and 12)	11,619,351	23	12,118,599	22
Property and equipment (Notes 4 and 13)	780,626	2	951,448	2
Investment properties (Notes 4 and 14)	849,456	2	767,221	1
Other non-current assets (Notes 4, 15 and 27)	214,925	-	214,264	-
Total non-current assets	31,938,698	63	41,565,069	75
TOTAL	$ 50,427,445	100	$ 55,304,372	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Other payables (Note 16)	$ 876,022	2	$ 881,365	1
Current tax liabilities (Notes 4, 27 and 30)	544,515	1	332,580	1
Other current liabilities (Note 30)	88,326	-	103,310	-
Total current liabilities	1,508,863	3	1,317,255	2
NON-CURRENT LIABILITIES				
Provisions - non-current (Notes 4, 17 and 18)	152,045	-	164,374	-
Deferred tax liabilities (Notes 4 and 27)	452,022	1	242,065	1
Other non-current liabilities (Notes 19, 30 and 33)	541,125	1	516,973	1
Total non-current liabilities	1,145,192	2	923,412	2
Total liabilities	2,654,055	5	2,240,667	4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 20)				
Capital	20,411,159	41	20,411,159	37
Capital surplus	589,866	1	4,688,261	8
Retained earnings				
Legal reserve	21,525,309	43	22,425,309	41
Special reserve	667,434	1	2,823,507	5
Unappropriated earnings	4,041,723	8	3,336,823	6
Other equity				
Exchange differences on translation of financial statements of foreign operations	(1,016,683)	(2)	(1,669,657)	(3)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	1,467,282	3	-	-
Unrealized gain (loss) on available-for-sale financial assets	-	-	959,824	2
Total equity attributable to owners of the parent	47,686,090	95	52,975,226	96
NON-CONTROLLING INTERESTS	87,300	-	88,479	-
Total equity	47,773,390	95	53,063,705	96
TOTAL	$ 50,427,445	100	$ 55,304,372	100

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
OPERATING REVENUE					
Net profit from sale of financial assets (Notes 4 and 21)	$ -	-	$ 3,851,277	67	(100)
Dividend revenue (Note 4)	428,081	12	790,823	14	(46)
Share of profit (loss) of associates and joint ventures (Note 4)	(545,865)	(16)	465,397	8	(217)
Gain on financial assets measured at fair value through profit or loss (Notes 4 and 22)	2,941,604	84	54,647	1	5,283
Consulting service revenue (Note 30)	644,266	19	568,760	10	13
Other operating revenue	16,957	1	36,175	-	(53)
Total operating revenue	3,485,043	100	5,767,079	100	(40)
OPERATING COSTS					
Impairment loss on assets (Notes 4 and 23)	-	-	937,402	17	(100)
GROSS PROFIT	3,485,043	100	4,829,677	83	(28)
OPERATING EXPENSES (Notes 4, 24, 25 and 30)	1,347,439	39	1,397,682	24	(4)
PROFIT FROM OPERATIONS	2,137,604	61	3,431,995	59	(38)
NON-OPERATING INCOME AND EXPENSES					
Foreign exchange gain (loss), net	51,540	2	(153,430)	(3)	134
Interest revenue (Notes 4 and 30)	206,107	6	163,574	3	26
Interest expenses	(427)	-	(1,501)	-	(72)
Other gains and losses (Notes 26 and 30)	175,744	5	55,844	1	215
Total non-operating income and expenses	432,964	13	64,487	1	571

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CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017		Percentage Increase (Decrease)
	Amount	%	Amount	%	%
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 2,570,568	74	$ 3,496,482	60	(26)
INCOME TAX EXPENSE (Notes 4 and 27)	(244,208)	(7)	(131,689)	(2)	85
NET PROFIT FOR THE YEAR	2,326,360	67	3,364,793	58	(31)
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss, net of income tax					
Remeasurement of defined benefit plans	(32)	-	(15,628)	-	(100)
Share of the other comprehensive loss of associates and joint ventures	(210,062)	(6)	(84)	-	249,974
Items that will be reclassified subsequently to profit or loss, net of income tax					
Exchange differences on translation of financial statements of foreign operations	523,289	15	(1,326,538)	(23)	139
Unrealized gain on available-for-sale financial assets	-	-	2,660,587	46	(100)
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(1,198)	-	-	-	-
Share of the other comprehensive income of associates and joint ventures	127,651	3	821,032	14	(84)
Other comprehensive income for the year, net of income tax	439,648	12	2,139,369	37	(79)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 2,766,008	79	$ 5,504,162	95	(50)

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2018		2017		Percentage Increase (Decrease)
	Amount	**%**	**Amount**	**%**	**%**
NET PROFIT ATTRIBUTABLE TO:					
Shareholders of parent company	$ 2,311,401	66	$ 3,352,535	58	(31)
Non-controlling interests	14,959	1	12,258	-	22
	$ 2,326,360	67	$ 3,364,793	58	(31)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:					
Shareholders of parent company	$ 2,753,083	79	$ 5,492,896	95	(50)
Non-controlling interests	12,925	-	11,266	-	15
	$ 2,766,008	79	$ 5,504,162	95	(50)
EARNINGS PER SHARE (Note 28)					
Basic	$1.13		$1.63		

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 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 Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unrealized Gain (Loss) on Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 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 year ended December 31, 2017	-	-	-	-	3,352,535	-	-	-	3,352,535	12,258	3,364,793
Other comprehensive income (loss) for the year ended December 31, 2017, net income tax	-	-	-	-	(15,712)	(1,571,337)	-	3,727,410	2,140,361	(992)	2,139,369
Total comprehensive income (loss) for the year ended December 31, 2017	-	-	-	-	3,336,823	(1,571,337)	-	3,727,410	5,492,896	11,266	5,504,162
Capital reduction	(192,835)	(16,723)	-	-	-	-	-	-	(209,558)	-	(209,558)
Share-based payment	-	1,983	-	-	-	-	-	-	1,983	-	1,983
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	515	515
BALANCE AT DECEMBER 31, 2017	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)
Cash dividends from capital surplus	-	(4,100,000)	-	-	-	-	-	-	(4,100,000)	-	(4,100,000)
Cash dividends from legal reserve	-	-	(900,000)	-	-	-	-	-	(900,000)	-	(900,000)
Net profit for the year ended December 31, 2018	-	-	-	-	2,311,401	-	-	-	2,311,401	14,959	2,326,360
Other comprehensive income (loss) for the year ended December 31, 2018, net income tax	-	-	-	-	(166)	652,974	(211,126)	-	441,682	(2,034)	439,648
Total comprehensive income (loss) for the year ended December 31, 2018	-	-	-	-	2,311,235	652,974	(211,126)	-	2,753,083	12,925	2,766,008
Share-based payments	-	1,605	-	-	-	-	-	-	1,605	-	1,605
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(14,104)	(14,104)
BALANCE AT DECEMBER 31, 2018	$ 20,411,159	$ 589,866	$ 21,525,309	$ 667,434	$ 4,041,723	$ (1,016,683)	$ 1,467,282	$ -	$ 47,686,090	$ 87,300	$ 47,773,390

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit before income tax	$ 2,570,568	$ 3,496,482
Adjustments for reconciliation of net profit		
Depreciation expenses	53,291	58,029
Amortization expenses	16,880	16,993
Net gain on financial assets at fair value through profit or loss	(2,941,604)	(54,647)
Interest expense	427	1,501
Interest income	(206,107)	(163,574)
Dividend income	(428,081)	(790,823)
Share of (profit) loss of associates and joint ventures	545,865	(465,397)
Gain on disposal of investments	-	(3,851,277)
Loss on impairment of financial assets	-	937,402
Others	(55,303)	(46,726)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	14,764,304	-
Other receivables	(754,641)	130,735
Other current assets	(274,932)	(5,980)
Other operating assets	(229,776)	(251,812)
Other payables	(26,630)	135,544
Other current liabilities	(8,579)	(12,045)
Other operating liabilities	(6,114)	(11,959)
Cash generated from (used in) operations	13,019,568	(877,554)
Interest received	167,982	117,222
Dividend received	860,739	802,362
Interest paid	(251)	(2,401)
Income tax refunded (paid)	(90,758)	108,835
Net cash generated from operating activities	13,957,280	148,464
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at FVTPL	(142,972)	(476,054)
Acquisition of available-for-sale financial assets	-	(312,714)
Proceeds from the sale of available-for-sale financial assets	-	1,631,652
Acquisition of financial assets measured at cost	-	(975,041)
Proceeds from the sale of financial assets measured at cost	-	4,630,694
Proceeds from capital return on financial assets measured at cost	-	105,288
Acquisition of associates	(176,360)	(1,449,619)
Proceeds from disposal of associates	-	1,063,663
Proceeds from disposal of subsidiaries	-	1,676,374
Proceeds from disposal of property, plant and equipment	98,800	1
Others	70,807	109,905
Net cash generated from (used in) investing activities	(149,725)	6,004,149

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CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(In Thousands of New Taiwan Dollars)

	2018	2017
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bills payable	$ -	$ 10,128
Cash dividends paid	(5,492,896)	(2,343,237)
Cash dividends distributed from capital surplus and legal reserve	(5,000,000)	(20,000,000)
Net cash used in financing activities	(10,492,896)	(22,333,109)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	176,221	(407,749)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,490,880	(16,588,245)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	12,783,198	29,371,443
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 16,274,078	$ 12,783,198

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

1. GENERAL INFORMATION

CDIB Capital Group (the Corporation) was incorporated under the Company Act and relevant regulations and started operations on May 14, 1959. Effective January 1999, the Corporation was converted from a trust corporation into an industrial bank under government approval. On December 28, 2001, the Corporation's shareholders exchanged their 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 shares 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 was renamed as 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 approved by the board of directors and authorized for issue on March 25, 2019.

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

a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the 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 investments originally measured at cost based on IAS 39 is classified as a financial assets 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, IFRIC 4 and a number of related interpretations.

Definition of a lease

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

The Corporation and subsidiaries as lessee

Upon initial application of IFRS 16, the Corporation and subsidiaries will recognize right-of-use assets, or investment properties if the right-of-use assets meet the definition of investment properties, and lease liabilities for all leases on the consolidated balance sheets except for those whose payments under low-value asset and short-term leases will be recognized as expenses on a straight-line basis. On the consolidated statements of comprehensive income, the Corporation and subsidiaries will present the depreciation expense charged on right-of-use assets separately from the interest expense accrued on lease liabilities; interest is computed using the effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of lease liabilities will be classified within financing activities; cash payments for the interest portion will be classified within operating activities. Currently, payments under operating lease contracts, including property interest qualified as investment properties, are recognized as expenses on a straight-line basis. Cash flows for operating leases are classified within operating activities on the consolidated statements of cash flows.

The Corporation and subsidiaries apply IFRS 16 retrospectively with the cumulative effect of the initial application of this standard recognized on January 1, 2019. Comparative information will not be restated.

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

The Corporation and subsidiaries will apply the following practical expedients:

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

The Corporation and subsidiaries as lessor

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

Anticipated impact on assets, liabilities and equity on January 1, 2019

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

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Corporation and subsidiaries have assessed that the application of other standards and interpretations will not have a material impact on the Corporation and subsidiaries' financial position and financial performance.

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

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020 (Note 2)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020 (Note 3)

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 Corporation and subsidiaries shall apply these amendments to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2020 and to asset acquisitions that occur on or after the beginning of that period.

Note 3: The Corporation and subsidiaries shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2020.

- 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 sell or contribute assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Corporation and subsidiaries 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 are continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation and subsidiaries' financial position and financial performance, and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

Basis of Preparation

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

Principles for Preparing Consolidated Financial Statements

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

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

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

As of December 31, 2018 and 2017, 19 companies, including the Corporation, have been included in the consolidated financial statements (please refer to the attached Table 6 for details).

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

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

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

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

Foreign Currencies

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

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

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

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

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

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

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

Cash Equivalents

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

Investments in Associates

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

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

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

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

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

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

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

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

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

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

Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or 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 assets 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.

      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 32.

   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.

2017

1) Financial assets or liabilities at FVTPL

Financial assets or liabilities are classified as at FVTPL when the financial asset or liability is either held for trading or it is designated as at fair value through profit or loss.

A financial asset or liability other than a financial asset or liability held for trading may be designated as at fair value through profit or loss upon initial recognition when doing so results in more relevant information and if:

a) Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

b) The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis in accordance with the Corporation and subsidiaries' documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

c) The contract contains one or more embedded derivatives so that the entire hybrid (combined) contract can be designated as at FVTPL.

Financial assets or liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividends or interest earned on such a financial asset. Other financial liabilities are measured at amortized cost using the effective interest method. Fair value in the manner described in Note 32.

Investments in equity instruments under financial assets at FVTPL that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity instruments are subsequently measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between the carrying amount and the fair value is recognized in profit or loss.

2) Available-for-sale financial assets

Available-for-sale financial assets are nonderivatives that are either designated as available-for-sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Available-for-sale financial assets are measured at fair value. Changes in the carrying amount of available-for-sale monetary financial assets relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and dividends on available-for-sale equity investments are recognized in profit or loss. Other changes in the carrying amount of available-for-sale financial assets are recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. When the investment is disposed of or is determined to be impaired, the cumulative gain or loss that previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognized in profit or loss when the Corporation and subsidiaries' right to receive the dividends is established.

Available-for-sale equity investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured and derivatives that are linked to and must be settled by delivery of such unquoted equity investments are measured at cost less any identified impairment loss at the end of each reporting period and are recognized in a separate line item as financial assets measured at cost. If, in a subsequent period, the fair value of the financial assets can be reliably measured, the financial assets are remeasured at fair value. The difference between carrying amount and fair value is recognized in profit or loss or other comprehensive income on financial assets. Any impairment losses are recognized in profit and loss.

3) Loans and receivables

Loans and receivables (including accounts receivable and debt investments with no active market, and etc.) shall be measured at effective interest method less impairment loss, except for the interest of short-term receivables which is insignificant.

b. Impairment of financial assets

2018

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

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

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.

2017

1) Financial assets measured at amortized cost

The Corporation and subsidiaries' accounts receivable, interest receivable, and other receivables are assessed for impairment at each balance sheet date and are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the above credit losses, the estimated future cash flows of the asset have been reduced.

For financial assets measured at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

2) Available-for-sale financial assets

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to profit or loss in the period.

In respect of available-for-sale equity securities, impairment loss previously recognized in profit or loss is not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

3) Financial assets measured at cost

When objective evidence indicate that financial assets measured at cost are impaired, the amount of the loss is recognized as "loss on asset impairment' and cannot be reversed.

c. Derecognition of financial assets

2018

Starting from 2018, on derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss.

2017

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; and derecognize a financial liability when obligations are discharged, cancelled or they expire.

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 that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss; and the difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Property and Equipment

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

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

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

Investment Properties

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

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

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

Nonfinancial Asset Impairment

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

Provisions, Contingent Liabilities and Contingent Assets

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

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

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

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

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

Employee Benefits

a. Short-term employee benefits

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

b. Retirement benefits

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

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

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

Taxation

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

a. Current tax

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

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

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

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

b. Deferred tax

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

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

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

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

c. Current and deferred tax for the year

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

Revenue Recognition

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

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

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 using the valuation model to assess whether there is any indication of impairment. The valuation model used by the Corporation and its subsidiaries is based on observable data and appropriate assumptions. At the same time, the management considers the related market and industry conditions to determine the reasonability of the assumptions.

Fair Value Measurement of Financial Products with No Quoted Market Prices in an Active Market - 2018

Management uses the valuation model or refers to the available quotations from other financial institutions in determining the fair value of financial products with no quoted market prices in an active market. Parameters used in the valuation model include adjusted observable inputs and unobservable inputs, which involved material managerial estimation and judgement.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2018	**2017**
Cash on hand	$ 28	$ 119
Checking accounts and demand deposits	1,200,497	2,384,233
Cash equivalents		
Short-term notes	1,706,181	2,102,970
Time deposits	13,367,372	8,295,876
	$ 16,274,078	$ 12,783,198

7. OTHER RECEIVABLES

	December 31	
	2018	**2017**
Receivables from securities sold	$ 810,113	$ 263,930
Interest receivable	158,142	120,017
Accrued income	85,975	142,646
Others	55,395	22,197
	$ 1,109,625	$ 548,790

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
Allowance for bad debts for the current year	44,575	-	44,575
Change in consolidated subsidiaries	(123,934)	(989,598)	(1,113,532)
Balance at December 31, 2017	$ 44,575	$ -	$ 44,575

The Corporation and subsidiaries had not pledged any other receivables as collateral.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

a. Financial assets at FVTPL - current

	December 31	
	2018	2017
Financial assets mandatorily classified as at FVTPL		
Nonderivative financial assets		
Open-ended funds	$ 230,354	$ -

b. Financial assets at FVTPL - non-current

	December 31	
	2018	2017
Financial assets mandatorily classified as at FVTPL		
Nonderivative financial assets		
Stock	$ 7,494,433	$ -
Partnership funds	6,083,712	-
Others	4,162,917	-
	17,741,062	-
Financial assets designated as at FVTPL		
Associates	574,064	457,036
Convertible (exchangeable) corporate bonds	-	265,609
Convertible (exchangeable) preferred stock	-	248,505
	574,064	971,150
Financial assets at FVTPL	$ 18,315,126	$ 971,150

The Corporation and subsidiaries signed a trust contract with China Trust Commercial Bank (CTBC) in August 2015. CTBC was appointed by the Corporation and its subsidiaries as trustee for their shareholdings of Capital Securities Corporation (CSC), where CTBC was to dispose of the shares according to the method agreed upon in the contract within the contract period, and all of the shares were fully disposed of in August 2017.

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

	December 31, 2017
Listed, OTC and emerging market stock	$ 10,203,443
Government bonds	160,548
Others	563,209
	$ 10,927,200

10. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	December 31, 2017
Unlisted overseas partnership fund	$ 5,616,943
Unlisted stock - common stock	4,663,683
Others	4,058,396
	$ 14,339,022
Classified according to financial asset measurement categories	
Available-for-sale financial assets	$ 13,997,653
Financial assets at FVTPL	341,369
	$ 14,339,022

For the year ended December 31, 2017, the Corporation and subsidiaries disposed of certain financial assets measured at cost with a total carrying amount of $1,754,216 thousand, and recognized a gain of $2,699,637 thousand.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates that are not individually material

	December 31			
	2018		2017	
	Carrying Amount	%	Carrying Amount	%
Unlisted companies				
CDIB & Partners Investment Holding Corporation	$ 4,575,742	29	$ 5,152,133	29
CDIB Capital Asia Partners L.P.	2,734,469	-	2,749,478	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	1,648,309	-	1,674,714	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,421,496	-	1,369,820	-
CDIB Biomedical Venture Capital Corporation	599,556	34	575,284	34
CDIB CME Fund Ltd.	597,044	40	544,517	40
Others	42,735		52,653	
	$ 11,619,351		$ 12,118,599	

Summary of Associates That Are Not Individually Material

	For the Year Ended December 31	
	2018	2017
Share of the Corporation and subsidiaries		
Net income (loss)	$ (545,865)	$ 465,397
Other comprehensive income (loss)	(82,289)	820,608
Total comprehensive income (loss) for the year	$ (628,154)	$ 1,286,005

Investments accounted for using equity method and the Corporation and subsidiaries' share of earnings and other comprehensive income is calculated based on audited financial statements.

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

12. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Private equity investments

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.

	December 31	
	2018	2017
Private equity investments		
Financial assets at fair value through profit or loss	$ 6,083,712	$ -
Financial assets measured at cost	-	5,616,943
Maximum exposure	6,083,712	5,616,943

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.

	December 31	
	2018	2017
Private equity management		
Total assets	$ 22,431,078	$ 21,713,595
Total liabilities	102,172	127,922
Investments accounted for using the equity method	5,804,274	5,794,012
Financial assets at FVTPL	429,846	312,781
Maximum exposure	6,234,120	6,106,793

13. PROPERTY AND EQUIPMENT

	December 31 2018	December 31 2017
Land	$ 524,135	$ 595,391
Buildings and facilities	235,596	324,315
Computer equipment	7,559	11,345
Transportation equipment	20	34
Other equipment	7,134	9,987
Leasehold improvements	6,182	10,376
	$ 780,626	$ 951,448

	Land	Buildings and Facilities	Computer Equipment	Transportation Equipment	Other Equipment	Leasehold Improvement	Prepayments for Acquisition of Properties	Total
Cost								
Balance at January 1, 2017	$ 787,389	$ 844,926	$ 37,485	$ 68	$ 55,153	$ 29,777	$ 564	$ 1,755,362
Additions	-	2,183	2,931	-	3,631	5,012	4,096	17,853
Disposal	-	(24,355)	(7,597)	-	(8,288)	-	-	(40,240)
Reclassification	(141,686)	(119,538)	-	-	-	24	(4,660)	(265,860)
Effect of changes on consolidated subsidiary	-	-	(941)	-	(1,789)	(5,267)	-	(7,997)
Effect of exchange rate changes	-	-	(281)	-	(600)	(551)	-	(1,432)
Balance at December 31, 2017	645,703	703,216	31,597	68	48,107	28,995	-	1,457,686
Accumulated depreciation and impairment								
Balance at January 1, 2017	(1,834)	(420,386)	(23,018)	(21)	(44,249)	(17,397)	-	(506,905)
Impairment	(48,478)	-	-	-	-	-	-	(48,478)
Additions	-	(22,937)	(5,797)	(13)	(4,352)	(6,559)	-	(39,658)
Disposal	-	24,343	7,595	-	8,278	-	-	40,216
Reclassification	-	40,079	-	-	-	-	-	40,079
Effect of changes on consolidated subsidiary	-	-	703	-	1,781	5,267	-	7,751
Effect of exchange rate changes	-	-	265	-	422	70	-	757
Balance at December 31, 2017	(50,312)	(378,901)	(20,252)	(34)	(38,120)	(18,619)	-	(506,238)
Balance at December 31, 2017, net	$ 595,391	$ 324,315	$ 11,345	$ 34	$ 9,987	$ 10,376	$ -	$ 951,448
Cost								
Balance at January 1, 2018	$ 645,703	$ 703,216	$ 31,597	$ 68	$ 48,107	$ 28,995	$ -	$ 1,457,686
Additions	-	1,230	1,227	-	430	1,104	525	4,516
Disposal	(23,871)	(57,892)	(6,410)	-	(9,431)	(385)	-	(97,989)
Reclassification	(47,385)	(70,706)	(1,628)	-	1,628	-	(525)	(118,616)
Effect of exchange rate changes	-	-	2,250	-	(2,099)	(118)	-	33
Balance at December 31, 2018	574,447	575,848	27,036	68	38,635	29,596	-	1,245,630
Accumulated depreciation and impairment								
Balance at January 1, 2018	(50,312)	(378,901)	(20,252)	(34)	(38,120)	(18,619)	-	(506,238)
Additions	-	(18,605)	(4,858)	(14)	(3,348)	(5,045)	-	(31,870)
Disposal	-	42,820	6,383	-	9,308	96	-	58,607
Reclassification	-	14,434	661	-	(661)	-	-	14,434
Effect of exchange rate changes	-	-	(1,411)	-	1,320	154	-	63
Balance at December 31, 2018	(50,312)	(340,252)	(19,477)	(48)	(31,501)	(23,414)	-	(465,004)
Balance at December 31, 2018, net	$ 524,135	$ 235,596	$ 7,559	$ 20	$ 7,134	$ 6,182	$ -	$ 780,626

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

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

14. INVESTMENT PROPERTIES

	December 31	
	2018	2017
Land	$ 607,592	$ 560,208
Buildings and facilities	241,864	207,013
	$ 849,456	$ 767,221

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

	For the Year Ended December 31	
	2018	2017
Cost		
Beginning balance	$ 1,012,427	$ 2,324,282
Reclassification	118,091	265,321
Effect of changes in consolidated subsidiaries	-	(1,577,176)
Ending balance	1,130,518	1,012,427
Accumulated depreciation		
Beginning balance	(245,206)	(205,408)
Additions	(21,421)	(18,371)
Reclassification	(14,435)	(40,079)
Effect of changes in consolidated subsidiaries	-	18,652
Ending balance	(281,062)	(245,206)
Accumulated impairment		
Beginning balance	-	(366,205)
Effect of changes in consolidated subsidiaries	-	366,205
Ending balance	-	-
Carrying amount	$ 849,456	$ 767,221

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

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

The fair values of the Corporation and subsidiaries' investment properties as of December 31, 2018 and 2017 were $4,310,577 thousand and $4,196,710 thousand, respectively.

The fair values of investment properties as of December 31, 2018 were not assessed by an independent appraiser, instead, the fair values were based on an external valuation report for the previous period. The fair values of investment properties as of December 31, 2017 were based on the assessment of fair value by appraisers of external investment properties of non-related parties, where the sales comparison approach and income approach were used. The sales comparison approach is based on the transaction and proposed prices of comparable properties which have been recently sold, while in the income approach, fair value is calculated by taking the net operating income of the rent collected and dividing it by the capitalization rate.

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

15. OTHER NON-CURRENT ASSETS

	December 31	
	2018	2017
Restricted assets	$ 120,162	$ 114,908
Guarantee deposits paid	68,795	59,687
Computer software	14,603	30,460
Others	11,365	9,209
	$ 214,925	$ 214,264

After the filing of a certain complaint against Morgan Stanley & Co. International PLC (Morgan Stanley) (Note 33), 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.”

16. OTHER PAYABLES

	December 31	
	2018	2017
Accrued expenses	$ 753,850	$ 823,645
Others	122,172	57,720
	$ 876,022	$ 881,365

17. PROVISIONS - NON-CURRENT

	December 31	
	2018	2017
Provisions for employee benefits	$ 148,951	$ 161,900
Others	3,094	2,474
	$ 152,045	$ 164,374

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The total expenses recognized in profit or loss for the years ended December 31, 2018 and 2017 were $10,373 thousand and $10,034 thousand, respectively.

The Corporation's foreign subsidiaries adopted the defined contribution pension plans, and they recognized their contributions as pension expenses amounting to $5,179 thousand and $2,726 thousand for the years ended December 31, 2018 and 2017, respectively.

b. Defined benefit plans

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

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

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

	December 31	
	2018	**2017**
Present value of defined benefit obligation	$ 477,942	$ 487,924
Fair value of plan assets	(332,394)	(329,347)
Net defined benefit liabilities	$ 145,548	$ 158,577

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities (Assets)
Balance at January 1, 2017	$ 508,519	$ (329,506)	$ 179,013
Business combinations	(414)	2,779	2,365
Current service cost	2,544	-	2,544
Net interest expense (income)	6,499	(4,285)	2,214
Recognized in profit or loss	9,043	(4,285)	4,758
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	1,103	1,103
Actuarial loss - changes in financial assumptions	15,874	-	15,874
Actuarial gain - experience adjustments	(1,349)	-	(1,349)
Recognized in other comprehensive income	14,525	1,103	15,628
Contributions from the employer	-	(43,187)	(43,187)
Benefits paid	(43,749)	43,749	-
Balance at December 31, 2017	487,924	(329,347)	158,577
Current service cost	2,516	-	2,516
Net interest expense (income)	4,478	(3,026)	1,452
Recognized in profit or loss	6,994	(3,026)	3,968
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(10,250)	(10,250)
Actuarial loss - changes in financial assumptions	1,900	-	1,900
Actuarial gain - experience adjustments	8,382	-	8,382
Recognized in other comprehensive income	10,282	(10,250)	32
Contributions from the employer	-	(17,029)	(17,029)
Benefits paid	(27,258)	27,258	-
Balance at December 31, 2018	$ 477,942	$ (332,394)	$ 145,548

(Concluded)

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

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

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

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

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

	December 31	
	2018	**2017**
Discount rate(s)	0.90%	0.95%
Expected rate(s) of salary increase	2.50%	2.50%

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

	December 31	
	2018	**2017**
Discount rate(s)		
0.25% increase	$ (9,387)	$ (10,016)
0.25% decrease	$ 9,678	$ 10,341
Expected rate(s) of salary increase		
0.25% increase	$ 8,531	$ 9,031
0.25% decrease	$ (8,320)	$ (8,794)

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

	December 31	
	2018	**2017**
Expected contributions to the plans for the next year	$ 9,617	$ 11,590
Average duration of the defined benefit obligation	8.00-10.21 years	8.36-11.38 years

19. OTHER NON-CURRENT LIABILITIES

	December 31	
	2018	**2017**
Other financial liabilities	$ 381,410	$ 370,737
Guarantee deposits received	29,167	28,162
Others	130,548	118,074
	$ 541,125	$ 516,973

20. EQUITY

a. Capital

Common stock

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

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

	December 31	
	2018	2017
Arising from issuance of common shares	$ 477,409	$ 4,577,409
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845
Arising from share of changes in capital surplus of associates	3,169	3,169
Share-based payments awards	10,423	8,818
Arising from donations	20	20
	$ 589,866	$ 4,688,261

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, 2017, 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.

On July 30, 2018, the Corporation's board of directors approved on behalf of the shareholders' meeting, the distribution of cash dividends of $4,100,000 thousand and $900,000 thousand arising from the excess of par value of issued ordinary shares from the capital surplus and legal reserve, respectively, in accordance with Article 241 of the Company Act.

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 following year, and given effect to in the financial statements of the year following the year of earnings generation.

Under the Financial Holding Company Act, because the Corporation has only one shareholder, CDFH, the Company Act provisions on 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

The appropriation of earnings of 2018 has not been approved by the board of directors as of the date the auditor's report was issued.

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

21. NET PROFIT FROM SALE OF FINANCIAL ASSETS

	For the Year Ended December 31, 2017
Gain on disposal of investments accounted for using the equity method, net	$ 1,013,662
Gain on disposal of financial assets measured at cost, net	2,699,637
Gain on disposal of available-for-sale financial assets, net	137,978
	$ 3,851,277

22. GAIN ON FINANCIAL ASSETS MEASURED AT FVTPL

	For the Year Ended December 31	
	2018	2017
Stock	$ 1,350,674	$ 2,020
Partnership funds	1,603,412	(15,680)
Others	(12,482)	68,307
	$ 2,941,604	$ 54,647

23. IMPAIRMENT LOSS ON ASSETS

	For the Year Ended December 31, 2017
Impairment loss on financial assets measured at cost	$ 776,759
Impairment loss on available-for-sale financial assets	102,841
Others	57,802
	$ 937,402

24. DEPRECIATION AND AMORTIZATION

	For the Year Ended December 31	
	2018	2017
Property and equipment	$ 31,870	$ 39,658
Investment property	21,421	18,371
Other non-current assets	16,880	16,993
	$ 70,171	$ 75,022

(Continued)

	For the Year Ended December 31	
	2018	2017
An analysis of depreciation by function		
Operating expenses	$ 31,870	$ 40,044
Non-operating expenses	21,421	17,985
	$ 53,291	$ 58,029
An analysis of amortization by function		
Operating expenses	$ 16,880	$ 16,993

(Concluded)

25. EMPLOYEE BENEFITS

	For the Year Ended December 31	
	2018	2017
Employee benefit expense		
Salaries and wages	$ 781,955	$ 846,961
Employee insurance	36,695	33,984
Pension	19,520	17,512
Others	57,327	64,457
	$ 895,497	$ 962,914
An analysis by function		
Operating expense	$ 895,497	$ 962,914

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

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

There was no difference between the amounts recognized in the financial statements for the years ended December 31, 2018 and 2017.

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

26. OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2018	2017
Rent revenue	$ 112,815	$ 108,638
Other revenue	85,518	14,900
Other loss	(22,589)	(67,694)
	$ 175,744	$ 55,844

27. INCOME TAX

a. Income tax expense

	For the Year Ended December 31	
	2018	2017
Current income tax		
Current period	$ (350,702)	$ (170,701)
Adjustments for prior year	12,602	39,012
	(338,100)	(131,689)
Deferred income tax	93,892	-
Income tax expense	$ (244,208)	$ (131,689)

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

	For the Year Ended December 31	
	2018	2017
Income tax expenses at the statutory rate	$ (584,574)	$ (628,953)
Permanent differences	679,298	551,052
Prior year's adjustments	12,591	39,012
Additional income tax under the Alternative Minimum Tax Act	(210,479)	(46,764)
Unrecognized temporary differences	(141,044)	(46,289)
Tax on unappropriated earnings	-	253
Income tax expenses	$ (244,208)	$ (131,689)

The Income Tax Act in the ROC was amended and, starting from 2018, the corporate income tax rate was 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%.

As the status of 2019 appropriations of earnings is uncertain, the potential income tax consequences of 5% of 2018 unappropriated earnings are not reliably determinable.

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

	December 31	
	2018	2017
Tax charged to the parent company	$ 317,267	$ 339,279
Tax paid to the parent company	$ 523,096	$ 323,549

c. Deferred tax assets and liabilities

	December 31 2018	December 31 2017
Deferred tax assets		
Others	$ 635	$ -
Deferred tax liabilities		
Land value increment tax	$ 241,555	$ 241,555
Unrealized gain or loss on financial instruments	210,467	-
Other	-	510
	$ 452,022	$ 242,065

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

	December 31 2018	December 31 2017
Loss carryforwards		
Expiry in 2021	$ 380,488	$ 380,488

e. Income tax assessments

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

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

Income tax returns of CDIB Capital Management Corp. through 2016 had been examined by the tax authorities. Except for 2014 and 2015, income tax returns of CDIB venture Capital Corporation through 2016 had been examined by the tax authorities.

28. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the year ended December 31, 2018			
Net profit attributable to shareholders of the parent company	$ 2,311,401	2,041,116	$ 1.13
For the year ended December 31, 2017			
Net profit attributable to shareholders of the parent company	$ 3,352,535	2,060,241	$ 1.63

29. DISPOSAL OF SUBSIDIARIES

On March 13, 2017, China Development Asset Management Corporation, which was a wholly-owned subsidiary of the Corporation, was transferred to a directly-owned subsidiary of the ultimate parent company.

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

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	$ 2,321,887

30. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation and Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. and subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company (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
CDIB Capital Growth Partners L.P.	Associate
GOF 1 SC Holdings LLC	Other related parties
GOF 2 QT Holdings LLC	Other related parties
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	%
December 31, 2018		
KGI Commercial Bank Co., Ltd.	$ 6,716,447	41
Subsidiary of the parent company	54,030	-
December 31, 2017		
KGI Commercial Bank Co., Ltd.	5,181,112	40
Subsidiary of the parent company	21,632	-

For the years ended December 31, 2018 and 2017, the interest revenues from cash in bank were $38,629 thousand and $55,543 thousand, respectively.

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

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

c. Accrued incomes (recognized as other receivables)

	Amount	%
December 31, 2018		
Subsidiary of the parent company	$ 4,610	-
Associate	81,157	7
Other related parties	48	-
December 31, 2017		
CDIB Capital Asia Partners L.P	118,497	22
Other related parties	48	-

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

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

e. Other receivables - others

	Amount	%
December 31, 2018		
Other related parties	$ 39,845	4
December 31, 2017		
Other related parties	5,760	1

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

	December 31			
	2018		2017	
	Amount	%	Amount	%
Parent company	$ 317,267	98	$ 339,279	98

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

g. Purchase and sale of securities

	Amount
For the year ended December 31, 2018	
Other related parties	$ 510,569
For the year ended December 31, 2017	
Subsidiary of the parent company	112,345

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

	December 31			
	2018		2017	
	Amount	%	Amount	%
Parent company	$ 523,096	96	$ 323,549	97

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

i. Advance receipts (recognized as other current liabilities)

		Amount	%
December 31, 2018			
KGI Commercial Bank Co., Ltd.	$	10,094	11
Subsidiary of the parent company		299	-
Other related parties		534	1
December 31, 2017			
Subsidiary of the parent company		5,856	6
Other related parties		534	1

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

		Amount	%
December 31, 2018			
Parent company	$	4,104	1
Subsidiary of the parent company		20,533	4
Associate		1,603	-
Other related parties		311	-
December 31, 2017			
Parent company		4,070	1
Subsidiary of the parent company		20,549	4
Associate		1,603	-
Other related parties		311	-

k. Consulting service revenues

		Amount	%
For the year ended December 31, 2018			
CDIB Capital Asia Partners L.P	$	240,906	37
CDIB Capital Growth Partners L.P.		98,100	15
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		86,067	13
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		64,551	10
Subsidiary of the parent company		18,346	3
Other related parties		70,911	11
For the year ended December 31, 2017			
CDIB Capital Asia Partners L.P		242,153	43
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)		85,089	15
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)		63,854	11
Subsidiary of the parent company		4,793	1
Other related parties		92,309	16

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

	Amount	%
For the year ended December 31, 2018		
KGI Commercial Bank Co., Ltd.	$ 78,568	70
Parent company	16,381	15
Subsidiary of the parent company	4,202	4
Other related parties	7,657	7
For the year ended December 31, 2017		
KGI Commercial Bank Co., Ltd.	77,416	71
Parent company	16,025	15
Subsidiary of the parent company	4,583	4
Other related parties	7,657	7

The rent was based on market prices and receivable quarterly.

m. Donation (recognized as operating expense)

	Amount	%
For the year ended December 31, 2017		
Other related parties	$ 30,000	2

n. Compensation of key management personnel

	For the Year Ended December 31	
	2018	2017
Salary and short-term benefits	$ 161,126	$ 143,154
Share-based payment	1,338	1,593
Post-employment benefits	953	905
	$ 163,417	$ 145,652

31. CAPITAL RISK MANAGEMENT

The main objective of the Corporation and subsidiaries in capital management is to maintain a healthy credit rating and financial structure to support the Corporation's operation and maximize 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.

32. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

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

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

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

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

December 31, 2018

(In Thousands of New Taiwan Dollars)

	Level 1	**Level 2**	**Level 3**	**Total**
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	$ 2,868,483	$ 81,132	$ 4,544,818	$ 7,494,433
Partnership fund	-	-	6,083,712	6,083,712
Open-end funds	230,354	-	-	230,354
Others	-	-	4,162,917	4,162,917
Financial assets designated as at FVTPL	-	-	574,064	574,064
Financial assets at FVTOCI				
Bond	-	159,214	-	159,214

December 31, 2017

(In Thousands of New Taiwan Dollars)

	Level 1	**Level 2**	**Level 3**	**Total**
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets 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

3) Financial instruments measured at fair value

For financial assets 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) Transfers between financial instrument hierarchy between Level 1 and Level 2

There is no movement of financial instrument hierarchy between Level 1 and Level 2 for the year ended December 31, 2018.

The main reason for hierarchy transfer of financial instrument is due to changes of market liquidity in the year ends in December 31, 2017 affected partly valuation sources of some holding government bond.

	For the Year Ended December 31, 2017	
	From Level 1 to Level 2	From Level 2 to Level 1
Available-for-sale financial assets - bond investments	$ 50,663	$ -

5) Reconciliation of Level 3 items of financial instruments

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

For the Year Ended December 31, 2018

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	$ 17,474,833	$ 2,569,971	$ 2,146,481	$ -	$ 7,188,187	$ 211,651	$ 14,791,447
Financial assets designated as at FVTPL	457,036	14,023	165,293	-	62,288	-	574,064

For the Year Ended December 31, 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 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets held for trading	$ 9,824	$ -	$ -	$ -	$ 9,824	$ -	$ -
Financial assets designated as FVTPL	174,265	111,143	685,742	-	-	-	971,150
Available-for-sale financial assets	307,895	18,929	108,412	-	-	-	435,236

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

The total gains or losses for the years ended December 31, 2018 and 2017 included loss of $237,789 thousand and gain of $111,143 thousand relating to assets measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

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

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

	Fair Value at December 31, 2018	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items					
Non-derivative financial assets					
Financial assets at FVTPL	$ 15,365,511	Market approach	P/B P/S Lack of liquidity discount	0.66-2.06 0.31-9.44 23%-29%	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 10.33%-14.14% 3%-7%	When the higher lack of liquidity discount, the lower of fair value; when the higher WACC, the lower of fair value; when the higher growth rate, the higher of fair value.
		Net asset adjustment method	Lack of liquidity discount Non-controlling Interest discount	23%-29% 11%	When the higher lack of liquidity discount, the lower of fair value.
		Binomial tree model	Returns on stock value volatility	39.05%-39.2%	When the higher returns on stock value volatility, the higher of fair value.
		Recent strike price	-	-	-

	Fair Value at 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 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	-	-	-

7) Pricing process of Level 3 fair value

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

b. Financial instruments not carried at fair value

1) Fair value information

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.

2) Fair value hierarchy of financial instruments

December 31, 2018

(In Thousands of New Taiwan Dollars)

	Level 1	**Level 2**	**Level 3**	**Total**
Non-financial assets				
Investment properties	$ -	$ -	$ 4,310,577	$ 4,310,577

December 31, 2017

(In Thousands of New Taiwan Dollars)

	Level 1	**Level 2**	**Level 3**	**Total**
Non-financial assets				
Investment properties	$ -	$ -	$ 4,196,710	$ 4,196,710

3) Measurement technique

a) The carrying amounts of financial instruments such as cash and cash equivalents, receivables, restricted assets, other financial assets, payables and other financial liabilities are used to estimate their fair values because the carrying amounts of these products should be the reasonable base to estimate their fair values.

b) 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.

c) For fair value measurement of investment property, please refer to Note 14.

c. Categories of financial instruments

	December 31	
	2018	**2017**
Financial assets		
Fair value through profit or loss (FVTPL)		
Financial assets mandatorily classified as at FVTPL	$ 17,971,416	$ -
Held for trading	-	341,369
Designated as at FVTPL	574,064	971,150
	$ 18,545,480	$ 1,312,519
Loans and receivables		
Cash and cash equivalents	$ 16,274,078	$ 12,783,198
Other receivables	1,109,625	548,790
Others	68,795	59,687
Debt investments with no active market - non-current	-	1,276,165
	$ 17,452,498	$ 14,667,840
Available-for-sale financial assets		
Available-for-sale financial assets	$ -	$ 10,927,200
Financial assets measured at cost	-	13,997,653
	$ -	$ 24,924,853
Fair value through other comprehensive income		
Debt investments	$ 159,214	$ -
Financial liabilities		
Amortized cost		
Other payables	$ 876,022	$ 881,365
Others	410,577	398,899
	$ 1,286,599	$ 1,280,264

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)

	December 31, 2018		
	Foreign Currency	**Exchange Rate (Dollar)**	**New Taiwan Dollar**
Financial assets			
Monetary items			
USD	$ 223,828	30.733	$ 6,878,905
CNY	187,203	4.476	837,845
HKD	55,585	3.924	218,117
KRW	6,854,094	0.028	188,755
JPY	414,683	0.278	115,448
Nonmonetary items			
USD	380,420	30.733	11,691,440
HKD	852,357	3.924	3,344,647
THB	230,845	0.949	219,072
Investments accounted for using the equity method			
CNY	685,898	4.476	3,069,805
USD	89,104	30.733	2,738,434
Financial liabilities			
Monetary items			
USD	15,381	30.733	472,712

	December 31, 2017		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
Financial assets			
Monetary items			
USD	$ 277,735	29.848	$ 8,289,840
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
Nonmonetary items			
USD	336,183	29.848	10,034,400
HKD	902,835	3.819	3,447,925
CNY	81,452	4.579	372,960
THB	347,622	0.915	318,074
KRW	5,536,100	0.028	154,928
Investment accounted for using the equity method			
CNY	664,905	4.579	3,044,534
USD	92,247	29.848	2,753,391
Financial liabilities			
Monetary items			
USD	40,011	29.848	1,194,258

Sensitivity analysis

The following table details the Corporation and subsidiaries' sensitivity to a 1% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated items, and adjusts their translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates a decrease in pre-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	Impact on Profit or Loss For the Year Ended December 31	
	2018	2017
Monetary items		
USD	$ 180,976	$ 70,956
JPY	68,789	1,138
HKD	34,905	4,025
CNY	8,171	2,989
KRW	2,604	1,839
THB	2,191	3

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of December 31, 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 year ended December 31, 2018 would increase/decrease by $178,311 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 year ended December 31, 2017 would increase/decrease by $4,570 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 year ended December 31, 2017 would increase/decrease by $107,667 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 December 31, 2018 and 2017, other financial liabilities are $381,410 thousand and $370,737 thousand, respectively, and will be paid by financial assets and the rest of nonderivative financial liabilities are $905,189 thousand and $909,527 thousand, respectively, and are mainly all current liabilities.

33. 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$381,410 thousand based on the exchange rate of December 31, 2018) was reclassified to "other financial liabilities". The litigation had not yet been concluded as of December 31, 2018. 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.

34. ADDITIONAL DISCLOSURES

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

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

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

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

4) Marketable securities acquired or disposed of, at cost or prices of at least NT$300 million or 20% of the paid-in 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 30 to the consolidated financial statements and Table 3 (attached).

9) Derivative transactions: For the Corporation and subsidiaries' information: None.

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

c. Information on investments in mainland China

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

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

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

35. SEGMENT INFORMATION

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

Geographical Information

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

	Revenue from External Customers For the Year Ended December 31	
	2018	**2017**
Taiwan	$ 2,049,792	$ 2,753,616
Malaysia	1,227,501	751,259
British Virgin Islands	(320,624)	1,823,821
Others	528,374	438,383
	$ 3,485,043	$ 5,767,079

TABLE 1

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 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	December 31, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	Stocks							
	Taiwan Stock Exchange	-	Financial assets at fair value through profit or loss	18,449,638	$ 1,386,121	2.66	$ 1,386,121	
	Tong Hsing Electronic Industries, Ltd.	-	Financial assets at fair value through profit or loss	1,183,248	127,199	0.72	127,199	
	Logitech Inc.	-	Financial assets at fair value through profit or loss	2,965,248	42,016	10.69	42,016	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	4,828,064	13,898	10.83	13,898	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	68,165	6.04	68,165	
	National Glory Development Corp.	-	Financial assets at fair value through profit or loss	646,884	4,693	6.47	4,693	
	TopGreen Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	633,377	6,023	1.17	6,023	
	Hair O’right International Corp.	-	Financial assets at fair value through profit or loss	1,835,837	105,901	9.02	105,901	
	DaBomb Protein Corp.	-	Financial assets at fair value through profit or loss	3,284,568	75,052	11.26	75,052	
	Power Venture Co.	-	Financial assets at fair value through profit or loss	677,245	6,033	5.68	6,033	
	Ori Vita Bio Application Inc.	-	Financial assets at fair value through profit or loss	858,690	5,584	0.42	5,584	
	Echem Hightech Co., Ltd.	-	Financial assets at fair value through profit or loss	1,535,934	5,596	11.69	5,596	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,000,000	27,742	9.91	27,742	
	E-one Moli Energy Corp.	-	Financial assets at fair value through profit or loss	6,875,493	70,954	2.28	70,954	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	34,886	13.96	34,886	
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	12,316,000	122,421	4.31	122,421	
	Orgchem Technologies, Inc.	-	Financial assets at fair value through profit or loss	1,067,220	13,448	1.92	13,448	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	31,058	8.40	31,058	
	Mec Imex Inc.	-	Financial assets at fair value through profit or loss	4,802,000	40,456	10.52	40,456	
	Yieh United Steel Corp.	-	Financial assets at fair value through profit or loss	6,945,622	46,883	0.27	46,883	
	Hua-jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	1,300,403	8,259	6.45	8,259	
	AMIA Co.	-	Financial assets at fair value through profit or loss	6,000,000	96,660	9.54	96,660	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	66,713	6.85	66,713	
	PlexBio Co., Ltd.	-	Financial assets at fair value through profit or loss	3,526,000	50,492	5.07	50,492	
	Riselink Restructuring Fund Corporation	-	Financial assets at fair value through profit or loss	3,289,681	33,829	12.50	33,829	
	Orient Pharma Co., Ltd.	-	Financial assets at fair value through profit or loss	2,857,800	44,810	1.83	44,810	
	Wai-Gin Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	1,170,000	1,559	3.44	1,559	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	7,567,424	83,871	5.64	83,871	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	25,523	6.47	25,523	
	Topview Optronics Corp.	-	Financial assets at fair value through profit or loss	687,000	15,835	2.99	15,835	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets at fair value through profit or loss	3,224,867	183,495	3.66	183,495	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	67,308	5.98	67,308	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets at fair value through profit or loss	3,845,330	31,431	1.38	31,431	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,308,026	79,440	7.88	79,440	
	Nan Pao Resins Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	1,293,232	145,489	1.07	145,489	
	DragonJet Corporation	-	Financial assets at fair value through profit or loss	4,300,000	20,055	4.77	20,055	
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	2,494,309	35,885	5.28	35,885	
	Terawins, Inc.	-	Financial assets at fair value through profit or loss	1,913,996	7,884	6.30	7,884	
	Feature Integration Technology Inc.	-	Financial assets at fair value through profit or loss	1,341,803	16,773	4.03	16,773	
	Mosart Semiconductor Corp.	-	Financial assets at fair value through profit or loss	2,731,098	20,365	10.57	20,365	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	5,533	10.43	5,533	
	Overseas Investment & Development Corp.	-	Financial assets at fair value through profit or loss	2,600,000	13,321	2.89	13,321	
	Microprogram Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	34,692	7.95	34,692	
	Lefram Technology Corporation	-	Financial assets at fair value through profit or loss	7,484,454	49,772	17.48	49,772	
	TAK Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,467,706	920	4.14	920	
	Engineering & IP Advanced Technologies Ltd.	-	Financial assets at fair value through profit or loss	4,216	2	0.00	2	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	97,532	4.81	97,532	
	JHL. Biotech, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	528,119	3.98	528,119	
	Easten Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	196,280	12.00	196,280	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2018 Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	Note
The Corporation	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	$ 219,285	8.02	$ 219,285	
	Neo Solar Power Corp.	-	Financial assets at fair value through profit or loss	3,675,000	24,664	0.15	24,664	
	Entery Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	8,364,000	11,959	11.22	11,959	
	Engineering & IP Advanced Technologies Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	6,392,765	3,244	0.35	3,244	
	Lightel Technologies, Inc.	-	Financial assets at fair value through profit or loss	3,000,000	85,122	43.44	85,122	
	Apexigen, Inc.	-	Financial assets at fair value through profit or loss	4,970,588	61,394	9.59	61,394	
	Fund							
	CommLaunch	-	Financial assets at fair value through profit or loss	-	42,436	-	42,436	
	ARCH Venture Fund V, L.P.	-	Financial assets at fair value through profit or loss	-	6,474	-	6,474	
	FORWARD VENTURES IV, L.P.	-	Financial assets at fair value through profit or loss	-	24,274	-	24,274	
	Forward Venture V	-	Financial assets at fair value through profit or loss	-	24,085	-	24,085	
	MPM Bioventures III L.P.	-	Financial assets at fair value through profit or loss	-	6,859	-	6,859	
	Sanderling	-	Financial assets at fair value through profit or loss	-	16,256	-	16,256	
	Samara Capital Partners Fund I Limited	-	Financial assets at fair value through profit or loss	-	125,762	-	125,762	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	653,557	-	653,557	
	Corporate bond							
	Belta (Cayman) Holding Limited	-	Financial assets at fair value through profit or loss	11,959,916	7,324	-	7,324	
	Government bonds							
	A00109	-	Fair value through other comprehensive income financial assets	7,000,000	7,117	-	7,117	
	A01105	-	Fair value through other comprehensive income financial assets	100,000,000	101,798	-	101,798	
	A03115	-	Fair value through other comprehensive income financial assets	50,000,000	50,299	-	50,299	
CDIB Capital Management Inc.	Stocks							
	ATEN International Co., Ltd.	-	Financial assets at fair value through profit or loss	65,660	5,712	0.05	5,712	
	MCM Stamping Co., Ltd.	-	Financial assets at fair value through profit or loss	70,000	294	0.22	294	
	ARCOA Communication Co., Ltd.	-	Financial assets at fair value through profit or loss	783,000	8,678	0.58	8,678	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	766	1.44	766	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	101,240	3,988	0.13	3,988	
	Fund							
	KGI Victory Money Market Fund	Managed by KGI Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	-	80,139	-	80,139	
CDIB Venture Capital Corporation	Stocks							
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	1,388,659	22,399	1.98	22,399	
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	824,500	12,827	0.00	12,827	
	Yenyo Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	3,468	1.24	3,468	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets at fair value through profit or loss	1,500,000	2,128	4.22	2,128	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	207,392	4.68	207,392	
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,809,000	88,905	2.69	88,905	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	45,000	1.62	45,000	
	Sum Max Tech. Limited	-	Financial assets at fair value through profit or loss	2,598,481	106,148	10.96	106,148	
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	1,101,000	57,803	2.86	57,803	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	5,708,562	349,364	0.97	349,364	
	Fusheng Precision Co., Ltd.	-	Financial assets at fair value through profit or loss	800,000	127,600	0.61	127,600	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	6,477,527	11,592	14.81	11,592	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	5,741,702	352,541	16.89	352,541	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,725,007	52,821	4.69	52,821	
	STL Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	5,528,901	101,953	10.11	101,953	
	Greatland Electronics Taiwan Ltd.	-	Financial assets at fair value through profit or loss	1,920,000	13,114	5.50	13,114	
	Shengzhuang Holdings Limited	-	Financial assets at fair value through profit or loss	610,590	5,813	6.11	5,813	
	Excelsior Medical Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	97,532	4.81	97,532	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2018				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB Venture Capital Corporation	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	514,821	$ 2,198	0.00	$ 2,198	
	Cvie Therapeutics Company Limited	-	Financial assets at fair value through profit or loss	560,000	13,226	4.15	13,226	
	Shane Global Holding Inc.	-	Financial assets at fair value through profit or loss	1,715,700	208,458	1.54	208,458	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	6,003	1.85	6,003	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	24,458	1.03	24,458	
	I-serve	-	Financial assets at fair value through profit or loss	2,232,219	154,575	4.17	154,575	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	84,528	10.23	84,528	
	Windtree Therapeutic, Inc.	-	Financial assets at fair value through profit or loss	594,552	60,540	1.85	60,540	
	iCHEF Co., Ltd.	-	Financial assets at fair value through profit or loss	11,167,513	82,136	40.74	82,136	
	4Gamers Entertainment Inc. - Preferred stock A	-	Financial assets at fair value through profit or loss	24,000	16,227	20.00	16,227	
	Viscovery (Cayman) Holding Company Limited - Preferred stock A+	-	Financial assets at fair value through profit or loss	304,878	9,370	8.20	9,370	
	Citiesocial Holding Cayman Co., Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	479,635	15,367	18.18	15,367	
	Umbo CV Inc.	-	Financial assets at fair value through profit or loss	1,394,145	21,513	10.29	21,513	
	CCMODA Corp.-Preferred stock	-	Financial assets at fair value through profit or loss	666,666	15,366	20.00	15,366	
	Asia Parents Holdings Limited	-	Financial assets at fair value through profit or loss	248,889	17,210	14.74	17,210	
	Kneron Inc.-Preferred stock	-	Financial assets at fair value through profit or loss	1,546,391	135,965	10.00	135,965	
	Zentera Systems, Inc.-Preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	77,612	39.35	77,612	
	FUNP Co., Ltd.-Preferred stock	-	Financial assets at fair value through profit or loss	400,000	44,256	20.00	44,256	
	Achieve Made International Limited-Preferred stock	-	Financial assets at fair value through profit or loss	168,138	12,293	6.67	12,293	
	Kwan's International Co., Ltd.	-	Financial assets at fair value through profit or loss	202,480	7,975	0.25	7,975	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	5,105,377	32,547	0.20	32,547	
	CBA Sports International Ltd.-Preferred stock A	-	Financial assets at fair value through profit or loss	2,402,500	10,257	13.73	10,257	
	Derbysoft Holdings Limited-Preferred stock A	-	Financial assets at fair value through profit or loss	28,000,000	96,783	45.78	96,783	
	Viscovery (Cayman) Holding Company Limited-Preferred stock A++	-	Financial assets at fair value through profit or loss	200,000	6,147	10.96	6,147	
	FunNow Ltd.-Preferred stock	-	Financial assets at fair value through profit or loss	185,184	30,733	20.00	30,733	
	Derbysoft Holdings Limited-Preferred stock B	-	Financial assets at fair value through profit or loss	4,643,469	16,050	9.26	16,050	
	4Gamers Entertainment Inc.-Preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,901	4.80	5,901	
	Kkday.com International Company Limited.	-	Financial assets at fair value through profit or loss	5,654,616	46,100	8.66	46,100	
	Traveler Co., Ltd	-	Financial assets at fair value through profit or loss	32,077	24,586	9.55	24,586	
	Fund							
	KGI Victory Money Market Fund	Managed by KGI Securities Investment Trust Co., Ltd.	Financial assets at fair value through profit or loss	-	150,215	-	150,215	
	Convertible (exchange) corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	-	90,547	-	90,547	
CDIB Capital Investment I Limited	Stocks							
	Best Inc.	-	Financial assets at fair value through profit or loss	356,280	US$ 1,464	0.09	US$ 1,464	
	Casper Sleep, Inc.	-	Financial assets at fair value through profit or loss	266,690	US$ 8,307	20.05	US$ 8,307	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US$ 2,271	11.11	US$ 2,271	
	Mestay Cayman Islands Limited-Preferred stock	-	Financial assets at fair value through profit or loss	13,722,047	US$ 7,826	3.40	US$ 7,826	
	Giddy Inc.	-	Financial assets at fair value through profit or loss	666,755	US$ 7,287	6.26	US$ 7,287	
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US$ 3,254	2.91	US$ 3,254	
	Great Team Backend Foundry, Inc.	-	Financial assets at fair value through profit or loss	1,636,800	US$ 717	1.81	US$ 717	
	Rokid Corporation Ltd	-	Financial assets at fair value through profit or loss	615,642	US$ 5,000	1.51	US$ 5,000	
	Fund							
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US$ 128	-	US$ 128	
	Ripley Cable Holdings I, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 891	-	US$ 891	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 10,361	-	US$ 10,361	
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US$ 5,521	-	US$ 5,521	
	CDIB Capital Global Opportunities Fund L.P.	Other related parties	Financial assets at fair value through profit or loss	-	US$ 1,511	-	US$ 1,511	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2018 Shares/Face Value/Units	Carrying Value		Percentage of Ownership (Note 1)	Fair Value		Note
CDIB Capital Investment I Limited	Corporate bond									
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets at fair value through profit or loss	41,875,000	US$	6,769	-	US$	6,769	
	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$	9,291	-	US$	9,291	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US$	4,000	-	US$	4,000	
CDIB Capital Investment II Limited	Stocks									
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US$	2,744	2.46	US$	2,744	
	CBA Sports International Ltd.	-	Financial assets at fair value through profit or loss	508,929	US$	71	0.89	US$	71	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US$	9,908	2.88	US$	9,908	
	Indostar Everstone	-	Financial assets at fair value through profit or loss	860,332	US$	13,431	8.12	US$	13,431	
	CBA Sports International Ltd. - Preferred stock	-	Financial assets at fair value through profit or loss	2,375,000	US$	330	13.57	US$	330	
CDIB Global Markets Limited	Stocks									
	Facebook Inc.	-	Financial assets at fair value through profit or loss	575	US$	75	-	US$	75	
	GoPro, Inc.	-	Financial assets at fair value through profit or loss	51,878	US$	220	0.04	US$	220	
	Flemingo International (BVI) Ltd.	-	Financial assets at fair value through profit or loss	1,048	US$	47,240	50.19	US$	47,240	
	Fund									
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US$	10,714	-	US$	10,714	
	GS TDN Investors Offshore, L.P.	-	Financial assets at fair value through profit or loss	-	US$	525	-	US$	525	
	CX Partners Fund Alpha Limited	-	Financial assets at fair value through profit or loss	-	US$	6,554	-	US$	6,554	
	Carlyle Asia Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	2,120	-	US$	2,120	
	Riverwood Capital Partners L.P.	-	Financial assets at fair value through profit or loss	-	US$	4,673	-	US$	4,673	
	ECP II (Cayman) Ltd. A	-	Financial assets at fair value through profit or loss	-	US$	7,418	-	US$	7,418	
	Sino-Century China Private Equity II L. P.	-	Financial assets at fair value through profit or loss	-	US$	384	-	US$	384	
	KKR Asian Fund II L.P.	-	Financial assets at fair value through profit or loss	-	US$	7,909	-	US$	7,909	
	Carlyle Asia Partners IV, L.P.	-	Financial assets at fair value through profit or loss	-	US$	19,739	-	US$	19,739	
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US$	11,592	-	US$	11,592	
	Tenaya Capital V, L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,272	-	US$	5,272	
	THL Equity Fund VI Investors (Ceridian), L.P.	-	Financial assets at fair value through profit or loss	-	US$	10,633	-	US$	10,633	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets at fair value through profit or loss	-	US$	1,094	-	US$	1,094	
	Industry Ventures Fund VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	3,465	-	US$	3,465	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	5,430	-	US$	5,430	
	Tenaya Capital VI, LP	-	Financial assets at fair value through profit or loss	-	US$	7,899	-	US$	7,899	
	Formation8 Partners Fund I, L.P.	-	Financial assets at fair value through profit or loss	-	US$	7,772	-	US$	7,772	
	Blue Point Capital Partners III, L.P.	-	Financial assets at fair value through profit or loss	-	US$	7,518	-	US$	7,518	
	Riverwood Capital Partners II L.P.	-	Financial assets at fair value through profit or loss	-	US$	13,858	-	US$	13,858	
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets at fair value through profit or loss	-	US$	15,700	-	US$	15,700	

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

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

(Concluded)

TABLE 2

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED OR DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
(THE CORPORATION'S SUBSIDIARIES AMOUNTING TO NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL)
FOR THE YEAR ENDED DECEMBER 31, 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 (Note)	Gain (Loss) on Disposal	Shares/Face Value/Units	Amount
The Corporation	Stocks													
	China Metal Products Co., Ltd.	Financial assets at fair value through profit or loss	-	-	12,381,003	$ 284,118	-	$ -	12,381,003	$ 369,071	$ 284,118	$ 84,953	-	$ -
	Taiwan Stock Exchange	Financial assets at fair value through profit or loss	-	-	48,604,914	8,400	-	-	30,155,276	2,258,769	5,211	2,253,558	18,449,638	3,189
	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	865,619	123,960	741,659	-	-
	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	-	-
	Leyou, Inc.	Financial assets at fair value through profit or loss	-	-	663,958,732	450,150	-	-	663,958,732	803,040	450,150	352,890	-	-
CDIB Global Markets Limited	Fund													
	Carlyle Giovanna Partners, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ 12,858	-	-	-	US$ 47,438	US$ 12,271	US$ 35,167	-	US$ 587
CDIB Capital Investment I Limited	Fund													
	Ripley Cable Holdings I, L.P.	Financial assets at fair value through profit or loss	-	-	-	US$ -	-	-	-	US$ 12,077	US$ -	US$ 12,077	-	-
	Brightstar Capital Partners QualTek, L.P.	Financial assets at fair value through profit or loss	GOF 2 QT Holdings LLC	Other related parties	-	-	-	US$ 9,700	-	US$ 10,105	US$ 9,700	US$ 405	-	-

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
DECEMBER 31, 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	$ 317,267 (Note 1)	-	$ -	-	$ -	$ -
CDIB Capital Investment I Limited	GOF 1 SC Holdings LLC	Other related parties	180,017	-	-	-	180,017	-
	GOF 2 QT Holdings LLC	Other related parties	279,495	-	-	-	279,495	-

Note 1: Including tax receivables from linked-tax system.

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2018
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 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	$ 9,628,341 (Note 1)	$ 200,988	$ 201,633	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	644,755 (Note 1)	87,501	87,501	Subsidiary
	CDIB Global Markets Limited	Malaysia	Venture fund	5,835,154	5,835,154	339	100.00	9,142,006 (Note 1)	US$ 36,813	1,111,348	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Venture fund	4,156,297	4,156,297	132,800	100.00	7,875,667 (Note 1)	US$ 152	4,602	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Venture fund	1,417,214	1,417,214	45,000	100.00	1,509,971 (Note 1)	US$ (12,940)	(390,647)	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Management company of venture fund	156,951	156,951	4,700	100.00	614,315 (Note 1)	US$ 112	3,386	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,575,742	(1,461,609)	(419,615)	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	582,500	582,500	58,250	33.29	582,069	(25,515)	(8,493)	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	582,000	582,000	58,200	38.80	582,043	101,880	39,529	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	48,167	4,431	20.00	33,814	(43,951)	(8,779)	Associates
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	3,965	US$ (8)	304	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	150,000	150,000	15,000	35.71	144,217	(30,213)	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	3,337,455 (Note 1)	HK$ 25,367	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	393,331	318,194	-	-	413,042	71,897	Not applicable	Associates
	Regent Investment Holding Corp.	Taiwan	Accommodation and food service activities	5,000	-	500	50.00	4,954	(90)	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	298,893 (Note 1)	HK$ 7,329	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management company of venture fund and consulting	12,000	12,000	1,200	60.00	15,828 (Note 1)	6,192	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	17,500	17,500	1,750	1.00	17,487	(25,515)	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	15,000	15,000	1,500	1.00	15,001	101,880	Not applicable	Associates
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	15,815	10,267	-	-	16,804	71,897	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 91,757	US$ 86,231	-	-	US$ 88,975	US$ (25,806)	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$ 7,614 (Note 1)	HK$ 6,488	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$ 5,911 (Note 1)	KRW154,847	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$ 1,925 (Note 1)	US$ 195	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Management of private equity fund	-	-	-	100.00	US$ (74) (Note 1)	US$ (13)	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 INVESTMENTS IN MAINLAND CHINA
DECEMBER 31, 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 December 31, 2018 (Note 3)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of December 31, 2018	Accumulated Inward Remittance of Earnings as of December 31, 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	$ 28,399	100.00	$ 28,399	$ 229,300	$ -
CDIB Private Equity (Fujian) Co., Ltd.	Management and consulting	CNY 10,000 thousand	Note 4	-	-	-	-	22,877	70.00	16,014	68,820	-
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	(87)	70.00	(61)	38,958	-
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	32,764	-	11,467	1,648,309	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Management and consulting	CNY 7,000 thousand	Note 5	-	-	-	-	15,053	65.00	9,784	47,982	-
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	2,505	65.00	1,628	35,912	-
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	278,246	-	83,474	1,421,496	-

Accumulated Investment in Mainland China as of December 31, 2018	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,525,787	US$336,031 thousand	$45,892,099

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a company located in a third area 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 to be authorized by the 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)

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2018

Consolidated entities

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

Note: CDIB Capital Asia Partners Limited conducted registration of establishment on March 21, 2014, however, CDIB Capital International Corporation had not invested any capital as of December 31, 2018.

(Continued)

Unconsolidated subsidiaries

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership		Note
			December 31, 2018	December 31, 2017	
The Corporation	CDIB Biotech USA Investment Co., Ltd.	Venture fund	-	50.00	CDIB Biotech USA Investment Co., Ltd. was approbated to liquidate by the Board of Director on April 20, 2008, therefore, CDIB Biotech USA Investment Co., Ltd. was not included in the consolidated financial statement. And it had been liquidated in October 2018.
CDIB Capital Investment I Limited	Subicvest Inc.	Leasing	-	100.00	Subicvest Inc. was approbated to liquidate by the Board of Director on May 24, 2016, therefore, Subicvest was not included in the consolidated financial statement. And it had been liquidated in October 2018.

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 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 (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	$ 270,116	Note 4	7.75%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	270,116	Note 4	7.75%
2	CDIB Capital International Corporation	CDIB Global Markets Limited	3	Consulting service revenues	131,750	Note 4	3.78%
3	CDIB Global Markets Limited	CDIB Capital International Corporation	3	Operating expenses	131,750	Note 4	3.78%

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.