CDIB Capital Group and Subsidiaries

Consolidated Financial Statements for the Six Months Ended June 30, 2017 and 2016 and Independent Auditors' Report

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
CDIB Capital Group

Opinion

We have audited the accompanying consolidated financial statements of CDIB Capital Group (the "Corporation") and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2017, December 31, 2016 and June 30, 2016, and the consolidated statements of comprehensive income for the six months ended June 30, 2017 and 2016, changes in equity and cash flows for the six months then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of CDIB Capital Group and subsidiaries as of June 30, 2017, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2017, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China; in all material respects, the consolidated financial position of the corporation and subsidiaries as of December 31, 2016 and June 30, 2016, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2016, in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Accounting Standards 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. The Corporation reclassified parts of accounts in response to the presentation of the consolidated financial statements as of June 30, 2017.

Basis for Opinion

We conducted our audits in consolidated financial statements of the Corporation and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30 2017 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; we conducted our audits in consolidated financial statements of the Corporation and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and June 30, 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30,2016 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and auditing standards generally accepted in the Republic of China; Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and subsidiaries in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the six months ended June 30, 2017. 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.

Impairment of Financial Assets Measured at Cost

When objective evidence indicates that financial assets measured at cost are impaired, the amount of the loss has to be recognized. The Corporation and subsidiaries determines occurrence of the impairment by the calculation of the valuation models. The valuation models and conditions of the assumptions are critical estimates of the management; therefore, the impairment of financial assets measured at cost is identified as a key audit matter for the six months ended June 30, 2017.

Refer to Notes 4 and 5 for the critical accounting policy, estimation uncertainty and related disclosure of the impairment of financial assets measured at cost.

We understood and assessed Corporation's internal control related to the impairment of financial assets measured at cost and its operation effectiveness. We entrusted our firm's internal valuation specialist with the task of sampling from the financial assets measured at cost 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. Finally, we assessed the reasonability of the impairment loss recognized resulting from the existence of objective evidence.

Other Matter

We have also audited the parent company only financial statements of the Corporation as of and for the six months ended June 30, 2016 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

When we conducted our audits in consolidated financial statements of the Corporation and subsidiaries, which comprise the consolidated balance sheets as of June 30, 2017, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30 2017 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; when we conducted our audits in consolidated financial statements of the Corporation and subsidiaries, which comprise the consolidated balance sheets as of December 31, 2016 and June 30, 2016, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30,2016 in accordance with the Regulations Governing Auditing and Attestation of Financial Statements of Financial Institutions by Certified Public Accountants and 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 CDIB Capital Group (formerly China Development Industrial Bank Corporation) and subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the six months ended June 30, 2017 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 Wu, Mei-Hui and Kuo, Cheng-Hung.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 10, 2017

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

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

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
(In Thousands of New Taiwan Dollars)

	June 30, 2017		December 31, 2016		June 30, 2016	
ASSETS	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS						
Cash and cash equivalents (Notes 6 and 31)	$ 11,569,843	21	$ 29,371,443	40	$ 26,359,116	37
Other receivables (Notes 7 and 31)	650,521	1	565,822	1	635,486	1
Current tax assets (Notes 4, 28 and 31)	346,979	1	468,929	1	727,822	1
Prepayments	21,931	-	35,919	-	29,916	-
Total current assets	12,589,274	23	30,442,113	42	27,752,340	39
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8 and 12)	936,895	2	292,829	-	253,183	-
Available-for-sale financial assets - non-current (Notes 9 and 31)	10,765,963	19	9,370,050	13	9,201,545	13
Financial assets measured at cost - non-current (Notes 10 and 12)	15,950,438	29	17,065,739	23	18,012,662	25
Debt investments with no active market - non-current	1,294,244	2	1,502,481	2	1,875,479	3
Investments accounted for using the equity method (Notes 11 and 12)	11,503,560	21	9,757,081	13	9,110,441	13
Property and equipment (Note 13)	1,021,844	2	1,248,457	2	1,223,652	2
Investment properties (Note 14)	761,843	1	1,752,669	2	1,766,671	2
Deferred tax assets (Notes 4 and 28)	4,839	-	100,835	-	100,736	-
Acquired loans (Note 7)	-	-	1,117,672	2	1,153,075	2
Other non-current assets (Note 15)	429,030	1	552,685	1	574,072	1
Total non-current assets	42,668,656	77	42,760,498	58	43,271,516	61
TOTAL	$ 55,257,930	100	$ 73,202,611	100	$ 71,023,856	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 16)	$ -	-	$ 100,000	-	$ -	-
Short-term bills payable (Note 17)	-	-	699,681	1	779,762	1
Dividends payable (Note 31)	2,343,237	4	-	-	-	-
Other payables (Notes 18 and 31)	608,627	1	860,519	1	624,410	1
Current tax liabilities (Notes 4, 28 and 31)	534,874	1	394,821	1	392,718	1
Other current liabilities	156,193	-	75,634	-	175,249	-
Total current liabilities	3,642,931	6	2,130,655	3	1,972,139	3
NON-CURRENT LIABILITIES						
Provisions - non-current (Notes 19 and 20)	156,915	-	184,359	-	173,952	-
Deferred tax liabilities (Notes 4 and 28)	241,598	1	241,601	-	241,555	-
Other non-current liabilities (Notes 21, 31 and 34)	510,350	1	536,156	1	426,819	1
Total non-current liabilities	908,863	2	962,116	1	842,326	1
Total liabilities	4,551,794	8	3,092,771	4	2,814,465	4
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 22)						
Capital	20,603,994	37	20,603,994	28	20,603,994	29
Capital surplus	4,704,063	9	24,703,001	34	24,701,757	35
Retained earnings						
Legal reserve	22,425,309	41	22,425,309	31	22,425,309	32
Special reserve	2,823,507	5	3,709,959	5	3,709,959	5
Unappropriated earnings	1,561,549	3	1,456,785	2	589,464	1
Other equity						
Exchange differences on translation of foreign financial statements	(1,356,107)	(3)	(98,320)	-	14,947	-
Unrealized gain (loss) on available-for-sale financial assets	(138,976)	-	(2,767,586)	(4)	(3,904,149)	(6)
Total equity attributable to owners of the parent	50,623,339	92	70,033,142	96	68,141,281	96
NON-CONTROLLING INTERESTS	82,797	-	76,698	-	68,110	-
Total equity	50,706,136	92	70,109,840	96	68,209,391	96
TOTAL	$ 55,257,930	100	$ 73,202,611	100	$ 71,023,856	100

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2017		2016	
	Amount	%	Amount	%
OPERATING REVENUE				
Net profit of selling financial assets (Note 23)	$ 1,995,125	74	$ 1,028,763	66
Dividend revenue	85,953	3	81,330	5
Share of the profit of associates for using equity method	260,925	9	174,919	11
Gains (losses) on financial assets or liabilities measured at fair value through profit or loss	74,245	3	(46,425)	(3)
Consulting service revenue (Note 31)	268,675	10	257,517	17
Other operating revenue	19,396	1	68,367	4
Total operating revenue	2,704,319	100	1,564,471	100
OPERATING COSTS				
Impairment loss on assets (Note 24)	354,096	13	565,699	36
GROSS PROFIT	2,350,223	87	998,772	64
OPERATING EXPENSES (Notes 4, 25, 26 and 31)	665,260	25	619,484	40
PROFIT FROM OPERATIONS	1,684,963	62	379,288	24
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange gain (loss), net	(105,888)	(4)	19,418	1
Interest revenues (Note 31)	93,243	4	82,038	5
Interest expenses	(1,349)	-	(3,975)	-
Other gains and losses (Notes 27 and 31)	54,830	2	139,282	9
Total non-operating income and expenses	40,836	2	236,763	15
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,725,799	64	616,051	39
INCOME TAX EXPENSE (Notes 4 and 28)	(156,194)	(6)	(20,016)	(1)
NET PROFIT FOR THE PERIOD	1,569,605	58	596,035	38

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2017		2016	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items reclassified subsequently to profit or loss, net of income tax:				
Exchange differences on translating foreign operations	$ (1,080,651)	(40)	$ (573,758)	(37)
Unrealized gain on available-for-sale financial assets	2,088,651	77	217,011	14
Share of the other comprehensive income of associates accounted for using the equity method	360,648	14	17,419	1
Other comprehensive income for the period, net of income tax	1,368,648	51	(339,328)	(22)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	$ 2,938,253	109	$ 256,707	16
NET PROFIT ATTRIBUTABLE TO:				
Shareholders of parent company	$ 1,561,549	58	$ 589,464	38
Non-controlling interests	8,056	-	6,571	-
	$ 1,569,605	58	$ 596,035	38
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Shareholders of parent company	$ 2,932,372	109	$ 252,620	16
Non-controlling interests	5,881	-	4,087	-
	$ 2,938,253	109	$ 256,707	16
EARNINGS PER SHARE (Note 29)				
Basic	$0.76		$0.29	

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars Except Per Share Amount)

	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 Available-for-sale Financial Assets	Total	Non-controlling Interests	Total Equity
BALANCE AT JANUARY 1, 2016	$ 20,603,994	$ 24,700,436	$ 22,425,309	$ 672,736	$ 4,702,128	$ 657,557	$ (4,209,915)	$ 69,552,245	$ 63,460	$ 69,615,705
Appropriation of the 2015 earnings										
Special reserve	-	-	-	3,037,223	(3,037,223)	-	-	-	-	-
Cash dividends - NT$0.81 per share	-	-	-	-	(1,664,905)	-	-	(1,664,905)	-	(1,664,905)
	-	-	-	3,037,223	(4,702,128)	-	-	(1,664,905)	-	(1,664,905)
Net profit for the six months ended June 30, 2016	-	-	-	-	589,464	-	-	589,464	6,571	596,035
Other comprehensive income (loss) for the six months ended June 30, 2016, net income tax	-	-	-	-	-	(642,610)	305,766	(336,844)	(2,484)	(339,328)
Total comprehensive income (loss) for the six months ended June 30, 2016	-	-	-	-	589,464	(642,610)	305,766	252,620	4,087	256,707
Share-based payment	-	1,321	-	-	-	-	-	1,321	-	1,321
Changes in non-controlling interests	-	-	-	-	-	-	-	-	563	563
BALANCE AT JUNE 30, 2016	$ 20,603,994	$ 24,701,757	$ 22,425,309	$ 3,709,959	$ 589,464	$ 14,947	$ (3,904,149)	$ 68,141,281	$ 68,110	$ 68,209,391
BALANCE AT JANUARY 1, 2017	$ 20,603,994	$ 24,703,001	$ 22,425,309	$ 3,709,959	$ 1,456,785	$ (98,320)	$ (2,767,586)	$ 70,033,142	$ 76,698	$ 70,109,840
Appropriation of the 2016 earnings										
Special reserve reversed	-	-	-	(886,452)	886,452	-	-	-	-	-
Cash dividends - NT$1.14 per share	-	-	-	-	(2,343,237)	-	-	(2,343,237)	-	(2,343,237)
	-	-	-	(886,452)	(1,456,785)	-	-	(2,343,237)	-	(2,343,237)
Cash dividend from capital surplus	-	(20,000,000)	-	-	-	-	-	(20,000,000)	-	(20,000,000)
Net profit for the six months ended June 30, 2017	-	-	-	-	1,561,549	-	-	1,561,549	8,056	1,569,605
Other comprehensive income (loss) for the six months ended June 30, 2017, net income tax	-	-	-	-	-	(1,257,787)	2,628,610	1,370,823	(2,175)	1,368,648
Total comprehensive income (loss) for the six months ended June 30, 2017	-	-	-	-	1,561,549	(1,257,787)	2,628,610	2,932,372	5,881	2,938,253
Share-based payment	-	1,062	-	-	-	-	-	1,062	-	1,062
Changes in non-controlling interests	-	-	-	-	-	-	-	-	218	218
BALANCE AT JUNE 30, 2017	$ 20,603,994	$ 4,704,063	$ 22,425,309	$ 2,823,507	$ 1,561,549	$ (1,356,107)	$ (138,976)	$ 50,623,339	$ 82,797	$ 50,706,136

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 1,725,799	$ 616,051
Adjustments to reconcile net profit		
Depreciation expenses	29,965	31,724
Amortization expenses	8,505	8,722
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(74,245)	46,425
Interest expense	1,349	3,975
Interest income	(93,243)	(82,038)
Dividend income	(85,953)	(81,330)
Share of profit of associates accounted for using equity method	(260,925)	(174,919)
Gain on disposal of investments	(1,995,125)	(1,028,763)
Loss on financial asset impairment	354,096	566,252
Others	56,743	(35,843)
Changes in operating assets and liabilities		
Other receivables	(55,314)	145,784
Other operating assets	(59,745)	(56,609)
Other payables	(142,248)	(360,535)
Other current liabilities	(18,179)	93,640
Other operating liabilities	64,226	(6,988)
Cash used in operations	(544,294)	(314,452)
Interest received	95,954	71,656
Dividend received	124,836	156,935
Interest paid	(2,401)	(3,819)
Income tax received (paid)	148,814	(60,710)
Net cash used in operating activities	(177,091)	(150,390)
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets designated as at FVTPL	(327,912)	-
Acquisition of available-for-sale financial assets	(94,340)	(311,395)
Proceeds from the sale of available-for-sale financial assets	1,096,442	729,820
Purchase of debt investments with no active market	-	(154,357)
Proceeds on sale of debt investments with no active market	-	286,196
Acquisition of financial assets measured at cost	(607,586)	(772,756)
Proceeds from the sale of financial assets measured at cost	1,459,279	1,425,422
Proceeds from capital return on financial assets measured at cost	74,186	43,686
Acquisition of associates	(1,438,608)	(1,253,718)
Proceeds from disposal of associates	1,063,663	36,282
Proceeds from disposal of subsidiaries	1,676,374	-
Others	(182,819)	117,317
Net cash generated from investing activities	2,718,679	146,497

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2017	**2016**
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term bills payable	$ 10,128	$ -
Decrease in short-term bills payable	-	(49,560)
Cash dividend paid	-	(1,664,905)
Changes in non-controlling interest	-	355
Cash dividend from capital surplus	(20,000,000)	-
Net cash used in financing activities	(19,989,872)	(1,714,110)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENT	(353,316)	(116,242)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(17,801,600)	(1,834,245)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	29,371,443	28,193,361
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	$ 11,569,843	$ 26,359,116

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

1. GENERAL INFORMATION

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

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

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

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were reported to the board of directors and authorized for issue on August 10, 2017.

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 Group's accounting policies:

   1) Amendment to IAS 36 "Recoverable Amount Disclosures for Non-financial Assets"

      The amendment clarifies that the recoverable amount of an asset or a cash-generating unit is disclosed only when an impairment loss has been recognized or reversed during the period. Furthermore, if the recoverable amount of an item of property and equipment for which impairment loss has been recognized or reversed is fair value less costs of disposal, the Corporation and subsidiaries are required to disclose the fair value hierarchy. If the fair value measurements are categorized within Level 2 or Level 3, the valuation technique and key assumptions used to measure the fair value are disclosed. The discount rate used is disclosed if such fair value less costs of disposal is measured by using present value technique.

2) IFRIC 21 "Levies"

IFRIC 21 provides guidance on when to recognize a liability for a levy imposed by a government. It addresses the accounting for a liability whose timing and amount is certain and the accounting for a provision whose timing or amount is not certain. The Corporation and subsidiaries accrues related liability when the transaction or activity that triggers the payment of the levy occurs. Therefore, if the obligating event occurs over a period of time (such as generation of revenue over a period of time), the liability is recognized progressively. If an obligation to pay a levy is triggered upon reaching a minimum threshold (such as a minimum amount of revenue or sales generated), the liability is recognized when that minimum threshold is reached.

3) Annual Improvements to IFRSs: 2010-2012 Cycle

When the amended IFRS 13 "Fair Value Measurement" becomes effective in 2017, the short-term receivables and payables with no stated interest rate will be measured at their invoice amounts without discounting, if the effect of not discounting is immaterial.

4) Annual Improvements to IFRSs: 2011-2013 Cycle

The scope in IFRS 13 of the portfolio exception for measuring the fair value of a group of financial assets and financial liabilities on a net basis was amended to clarify that it includes all contracts that are within the scope of, and accounted for in accordance with, IAS 39 or IFRS 9, even if those contracts do not meet the definitions of financial assets or financial liabilities within IAS 32.

IAS 40 was amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive and application of both standards may be required to determine whether the investment property acquired is acquisition of an asset or a business combination.

5) Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed by the FSC for application starting from 2017. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president, or is the spouse or second immediate family of the chairman of the board of directors or president of the Corporation are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationship with whom the Corporation and subsidiaries has significant transaction. If the transaction or balance with a specific related party is 10% or more of the Corporation and subsidiaries' respective total transaction or balance, such transaction should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after business combination and the expected benefit on acquisition date.

The disclosures of related party transactions will be enhanced when the above amendments are retrospectively applied in 2017, please refer to Note 31.

b. The Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2018

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

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 amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

1) Annual Improvements to IFRSs 2014-2016 Cycle

Several standards, including IFRS 12 "Disclosure of Interests in Other Entities" and IAS 28 "Investments in Associates and Joint Ventures," were amended in this annual improvement.

The amendment to IFRS 12 clarified that when the Corporation and subsidiaries's interest in a subsidiary, a joint venture or an associate is classified as held for sale or is included in a disposal group that is classified as held for sale, the entity is not required to disclose summarized financial information of that subsidiary, joint venture or associate in accordance with IFRS 12. However, all other requirements in IFRS 12 apply to interests in entities classified as held for sale in accordance with IFRS 5. The Corporation and subsidiaries will apply the aforementioned amendment retrospectively.

The amendment to IAS 28 clarified that when an investment in an associate or a joint venture is held by, or is held indirectly through, The Corporation and subsidiaries that is a venture capital organization, or a mutual fund, or a unit trust or similar entities (including investment-linked insurance funds), the Corporation and subsidiaries may elect to measure that investment at fair value through profit or loss. The Corporation and subsidiaries shall make this election separately for each associate or joint venture at the initial recognition of the associate or joint venture.

Furthermore, the amendment to IAS 28 clarified that when the Corporation and subsidiaries (non-investment entity) apply the equity method to account for investment in an associate or a joint venture that is an investment entity, the Corporation and subsidiaries may elect to retain the fair value of the investment in subsidiaries of the investment entity associate or joint venture. The election should be made separately for each investment entity associate or joint venture, at the later of the date (a) the investment entity associate or joint venture is initially recognized, (b) the associate or joint venture becomes an investment entity, or (c) the investment entity associate or joint venture first becomes a parent.

2) IFRS 9 "Financial Instruments"

Recognition, measurement and impairment of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 "Financial Instruments: Recognition and Measurement" are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Corporation and subsidiaries' debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;

b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting contractual cash flows and the selling financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for above, all other financial assets are measured at fair value through profit or loss. However, the Corporation and subsidiaries may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

IFRS 9 requires that impairment loss on financial assets is recognized by using the "Expected Credit Losses Model". The credit loss allowance is required for financial assets measured at amortized cost, financial assets mandatorily measured at FVTOCI, lease receivables, contract assets arising from IFRS 15 "Revenue from Contracts with Customers", certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Corporation and subsidiaries takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

Transition

Financial instruments that have been derecognized prior to the effective date of IFRS 9 cannot be reversed to apply IFRS 9 when it becomes effective. Under IFRS 9, the requirements for classification, measurement and impairment of financial assets are applied retrospectively with the difference between the previous carrying amount and the carrying amount at the date of initial application recognized in the current period and restatement of prior periods is not required. The requirements for general hedge accounting shall be applied prospectively and the accounting for hedging options shall be applied retrospectively.

3) IFRS 15 “Revenue from Contracts with Customers” and its amendments

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 “Revenue”, IAS 11 “Construction Contracts” and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

a) Identify the contract with the customer;
b) Identify the performance obligations in the contract;
c) Determine the transaction price;
d) Allocate the transaction price to the performance obligations in the contracts; and
e) Recognize revenue when the entity satisfies a performance obligation.

When IFRS 15 and related amendment are effective, an entity may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of initially applying this Standard recognized at the date of initial application.

4) Amendments to IAS 12 “Recognition of Deferred Tax Assets for Unrealized Losses”

The amendment clarifies that the difference between the carrying amount of the debt instrument measured at fair value and its tax base gives rise to a temporary difference, even though there are unrealized losses on that asset, irrespective of whether the Corporation and subsidiaries expect to recover the carrying amount of the debt instrument by sale or by holding it and collecting contractual cash flows.

In addition, in determining whether to recognize a deferred tax asset, the Corporation and subsidiaries should assess a deductible temporary difference in combination with all of its other deductible temporary differences, unless the tax law restricts the utilization of losses to deduction against income of a specific type, in which case, a deductible temporary difference is assessed in combination only with other deductible temporary differences of the appropriate type. The amendment also stipulates that, when determining whether to recognize a deferred tax asset, the estimate of probable future taxable profit may include some of the Corporation and subsidiaries’ assets for more than their carrying amount if there is sufficient evidence that the Corporation and subsidiaries will achieve this, and that the estimate for future taxable profit should exclude tax deductions resulting from the reversal of deductible temporary differences.

5) Amendments to IAS 40 “Transfers of Investment Property”

The amendments clarify that the Corporation and subsidiaries should transfer to, or from, investment property when, and only when, the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management’s intentions for the use of a property does not provide evidence of a change in use. The amendments also clarify that the evidence of the change in use is not limited to those illustrated in IAS 40.

6) IFRIC 22 “Foreign Currency Transactions and Advance Consideration”

IAS 21 stipulated that a foreign currency transaction shall be recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. IFRIC 22 further explains that the date of the transaction is the date on which an entity recognizes a non-monetary asset or non-monetary liability from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine the date of the transaction for each payment or receipt of advance consideration.

The Corporation and subsidiaries will apply IFRIC 22 prospectively to all assets, expenses and income recognized on or after January 1, 2018 within the scope of the Interpretation.

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

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

New IFRSs	Effective Date Announced by IASB (Note 1)
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 (Note 2)
IFRS 16 “Leases”	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: In June 2015, IASB has decided to postpone the application of IFRS 10 and IAS 28 which issued in September 2014. Early application is permitted.

1) 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 contributes assets that constitute a business (as defined in IFRS 3) to an associate, the gain or loss resulting from the transaction is recognized in full. Also, when the Corporation and subsidiaries lose control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Corporation and subsidiaries sell or contributes 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.

2) IFRS 16 "Leases"

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

Under IFRS 16, if the Corporation and subsidiaries are lessees, they shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Corporation and subsidiaries may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Corporation and subsidiaries should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

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

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

3) IFRIC 23 "Uncertainty Over Income Tax Treatments"

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

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

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

The same accounting policies of these consolidated financial statements have been followed as were applied in the preparation of the Corporation and subsidiaries' consolidated financial statements for the year ended December 31, 2016, except for those described below.

Statement of Compliance

The consolidated financial statements as of June 30, 2017 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standards 34 " Interim Financial Reporting" as endorsed and issued into effect by the FSC; the consolidated financial statements as of December 31, 2016 and June 30, 2016 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Public Banks and International Accounting Standards 34 " Interim Financial Reporting" as endorsed and issued into effect by the FSC. The Corporation reclassified parts of accounts in response to the presentation of the consolidated financial statements as of June 30, 2017. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

Basis of Preparation

As of June 30, 2017, December 31, 2016 and June 30, 2016, the consolidated entities included in the consolidated financial statements included 19, 23 and 23 companies, respectively (please refer to the attached Table 6 for details).

Classification of Current and Non-current Assets and Liabilities

Current assets include:

a. Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

a. Liabilities held primarily for the purpose of trading;

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

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

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

Investments in Associates

The Corporation and subsidiaries those which are venture capital organization elect to measure investments in those associates at equity method or fair value through profit or loss.

Financial Assets Measured at Cost

When objective evidences 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.

Retirement Benefit Costs

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

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period’s pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

<u>Impairment of financial assets measured at cost</u>

When financial assets with no active market and financial assets measured at cost are assessed based on indication of impairment, their impairment losses are calculated by the estimated recoverable amount. Under such circumstances, the recoverable amount depends on the estimation of observable data and appropriate assumption, in the meantime, the management considers related market and industry situation to determine the reasonability of the assumption.

6. CASH AND CASH EQUIVALENTS

	June 30, 2017	December 31, 2016	June 30, 2016
Cash on hand	$ 117	$ 151	$ 156
Checking accounts and demand deposits	2,140,661	4,297,961	2,132,607
Cash equivalent			
Short-term notes	2,076,381	970,904	817,360
Time deposits	7,352,684	24,102,427	23,408,993
	$ 11,569,843	$ 29,371,443	$ 26,359,116

7. OTHERS RECEIVABLES AND ACQUIRED LOANS

	June 30, 2017	December 31, 2016	June 30, 2016
Receivable from securities sold	$ 274,898	$ 231,214	$ 245,229
Accrued incomes	222,311	221,702	246,564
Interest receivable	92,777	363,961	346,970
Others	60,535	28,998	80,758
	650,521	845,875	919,521
Less: Allowance for bad debts	-	(280,053)	(284,035)
	$ 650,521	$ 565,822	$ 635,486
Acquired loans	$ -	$ 1,951,151	$ 1,988,676
Less: Allowance for bad debts	-	(833,479)	(835,601)
	$ -	$ 1,117,672	$ 1,153,075

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

	Individually Assessed for Impairment	Collectively Assessed for Impairment	Total
Balance at January 1, 2016	$ 194,780	$ 968,605	$ 1,163,385
Impairment losses recognized (written off) on receivables	(63,667)	25,156	(38,511)
Amounts written off during the period as uncollectible	-	(5,238)	(5,238)
Balance at June 30, 2016	$ 131,113	$ 988,523	$ 1,119,636
Balance at January 1, 2017	$ 123,934	$ 989,598	$ 1,113,532
Change in consolidated subsidiaries	(123,934)	(989,598)	(1,113,532)
Balance at June 30, 2017	$ -	$ -	$ -

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Financial assets held for trading			
Nonderivative financial assets			
Listed and OTC stocks	$ 90,548	$ 108,740	$ 92,243
Derivative financial instruments			
Options	-	9,824	-
Financial assets designated as FVTPL			
Associates	322,105	-	-
Convertible (exchangeable) corporate bonds	270,841	158,126	160,940
Convertible (exchangeable) preferred stock	253,401	16,139	-
Financial assets at FVTPL	$ 936,895	$ 292,829	$ 253,183

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Listed, OTC and emerging market stocks	$ 10,101,520	$ 8,759,455	$ 8,191,195
Government bonds	160,093	158,798	161,951
Others	504,350	451,797	848,399
	$ 10,765,963	$ 9,370,050	$ 9,201,545

For the trust contract with holding shares to CSC, please refer to Note 8.

10. FINANCIAL ASSETS MEASURED AT COST - NON-CURRENT

	June 30, 2017	December 31, 2016	June 30, 2016
Unlisted overseas partnership fund	$ 6,031,615	$ 6,135,403	$ 6,556,495
Unlisted stocks - common stock	5,541,853	6,483,600	6,173,861
Others	4,376,970	4,446,736	5,282,306
	$ 15,950,438	$ 17,065,739	$ 18,012,662

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
Classified according to financial asset measurement categories			
Available-for-sale financial assets	$ 15,605,157	$ 16,708,198	$ 17,586,059
Financial assets at FVTPL	345,281	357,541	426,603
	$ 15,950,438	$ 17,065,739	$ 18,012,662

(Concluded)

For the six months ended June 30, 2017 and 2016, the Corporation and subsidiaries disposed of certain financial assets measured at cost with carrying amounts of $538,474 thousand and $862,718 thousand, respectively, and recognized gains of $811,990 thousand and $687,288 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	June 30, 2017		December 31, 2016		June 30, 2016	
	Carrying Amount	%	Carrying Amount	%	Carrying Amount	%
Unlisted companies						
CDIB & Partners Investment Holding Corporation	$ 4,641,732	29	$ 4,254,892	29	$ 3,991,688	29
CDIB Capital Asia Partners L.P.	2,663,211	-	2,109,639	-	2,060,547	-
OPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	1,648,862	-	1,165,320	-	1,211,645	-
CPEC Huachuang Private Management (Kushan) Enterprise (Limited Partnership)	1,355,254	-	960,603	-	557,662	-
CDIB Biomedical Venture Capital Corporation	581,912	34	585,893	34	581,525	34
CDIB CME Fund Ltd.	554,006	40	568,380	40	577,013	40
Others	58,583		112,354		130,361	
	$ 11,503,560		$ 9,757,081		$ 9,110,441	

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

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

12. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Private equity investment

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

	June 30, 2017	December 31, 2016	June 30, 2016
Private equity investment			
Financial assets measured at cost	$ 6,031,615	$ 6,135,403	$ 6,556,495
Maximum exposure	$ 6,031,615	$ 6,135,403	$ 6,556,495

b. Private equity management

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

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

	June 30, 2017	December 31, 2016	June 30, 2016
Private equity management			
Total assets	$ 20,439,576	$ 15,250,696	$ 14,010,151
Total liabilities	90,719	17,840	239,930
Investments accounted for using equity method	5,667,327	4,235,562	3,829,854
Financial assets at FVTPL	174,269	-	-
Maximum exposure	5,841,596	4,235,562	3,829,854

13. PROPERTY AND EQUIPMENT

	June 30, 2017	December 31, 2016	June 30, 2016
Land	$ 651,364	$ 785,555	$ 763,517
Buildings and facilities	336,657	424,540	426,282
Computer equipment	11,951	14,467	17,380
Transportation equipment	41	47	54
Other equipment	10,838	10,904	12,424
Leasehold improvements	8,658	12,380	3,431
	1,019,509	1,247,893	1,223,088
Prepayments for acquisition of properties	2,335	564	564
	$ 1,021,844	$ 1,248,457	$ 1,223,652

Except for depreciation recognized, the Corporation and subsidiaries' had no significant addition, disposal and impairment of property and equipment during the six months ended June 30, 2017 and 2016.

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

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

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

14. INVESTMENT PROPERTIES

	June 30, 2017	December 31, 2016	June 30, 2016
Land	$ 552,713	$ 1,528,061	$ 1,524,790
Buildings and facilities	209,130	224,608	241,881
	$ 761,843	$ 1,752,669	$ 1,766,671

Except for depreciation recognized and disposal of subsidiaries, the Corporation and subsidiaries' had no significant addition, disposal and impairment of investment property during the six months ended June 30, 2017 and 2016.

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

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

The fair values of the Corporation and subsidiaries' investment property as of June 30, 2017, December 31, 2016 and June 30, 2016 were $4,186,023 thousand, $5,466,433 thousand and $5,510,221 thousand, respectively.

Exception of the fair value of the Corporation's investment properties as of December 31, 2016 had been performed by independent qualified professional appraiser; however, management of the Corporation used the valuation model that market participants would use in determining the fair value. The valuation was measured using the sales comparison approach and income approach. The former compares a subject property's characteristics with those of comparable properties which have recently sold in similar transaction; the latter is computed by taking the net operating income of the rent collected and dividing it by the capitalization rate.

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

15. OTHER NON-CURRENT ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016
Restricted assets	$ 311,030	$ 304,111	$ 320,153
Guarantee deposits paid	76,340	78,144	77,600
Computer software	37,899	45,300	54,048
Collaterals assumed	-	115,449	117,814
Others	3,761	9,681	4,457
	$ 429,030	$ 552,685	$ 574,072

After the filing of a certain complaint against Morgan Stanley & Co. International PLC (Morgan Stanley) (Note 34), the Corporation could not access the following funds in connection with transactions made with Morgan Stanley because of its unauthorized disposition: Accounts receivable, deposits, cash security on CDS contracts, available-for-sale stock investments and the related accrued revenue. Because of the inaccessibility of these funds, these financial assets reclassified as "restricted assets."

As of December 31, 2016 and June 30, 2016, the above collaterals were net of accumulated impairment losses of $13,107 thousand and $12,445 thousand, respectively.

16. SHORT-TERM BORROWINGS

	June 30, 2017	December 31, 2016	June 30, 2016
Unsecured loans - credit borrowings	$ -	$ 100,000	$ -

The weighted average effective interest rate on the bank loans was 0.9% for the years ended December 31, 2016.

17. SHOT-TERM BILLS PAYABLE

	June 30, 2017	December 31, 2016	June 30, 2016
Commercial paper payable	$ -	$ 700,000	$ 780,000
Less: Unamortized discount	-	(319)	(238)
	$ -	$ 699,681	$ 779,762
Rate	-	0.91%-0.94%	0.94%
Last maturity date	-	February 2017	July 2016

18. OTHER PAYABLES

	June 30, 2017	December 31, 2016	June 30, 2016
Accrued expenses	$ 583,772	$ 737,532	$ 508,574
Others	24,855	122,987	115,836
	$ 608,627	$ 860,519	$ 624,410

19. PROVISIONS - NON-CURRENT

	June 30, 2017	December 31, 2016	June 30, 2016
Provisions for employee benefits	$ 154,560	$ 181,378	$ 172,431
Others	2,355	2,981	1,521
	$ 156,915	$ 184,359	$ 173,952

20. RETIREMENT BENEFIT PLANS

The Corporation and subsidiaries' retirement benefit plans consist of defined contribution and defined benefit plans. For defined benefit plans, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2016 and 2015, respectively.

For the six months ended June 30, 2017 and 2016, the Corporation and subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of $2,372 thousand and $3,303 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) of $5,226 and $7,882 thousand, respectively.

21. OTHER NON-CURRENT LIABILITIES

	June 30, 2017	December 31, 2016	June 30, 2016
Other financial liabilities	$ 364,557	$ 386,632	$ 386,716
Guarantee deposits received	28,414	25,083	25,612
Others	117,379	124,441	14,491
	$ 510,350	$ 536,156	$ 426,819

22. EQUITY

a. Capital

Common stock

	June 30, 2017	December 31, 2016	June 30, 2016
Numbers of shares authorized (in thousands)	9,266,851	9,266,851	9,266,851
Shares authorized	$ 92,668,510	$ 92,668,510	$ 92,668,510
Number of shares issued and fully paid (in thousands)	2,060,400	2,060,400	2,060,400
Shares issued	$ 20,603,994	$ 20,603,994	$ 20,603,994

b. Capital surplus

	June 30, 2017	December 31, 2016	June 30, 2016
Arising from issuance of common shares	$ 4,593,957	$ 24,593,957	$ 24,593,956
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845	98,845
Arising from share of changes in capital surplus of associates	3,169	3,169	3,169
Share-based payments awards	8,072	7,010	5,767
Arising from donations	20	20	20
	$ 4,704,063	$ 24,703,001	$ 24,701,757

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

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

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

c. Special reserve

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

Under Order 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", when transitioning to IFRSs, a company should appropriate to a special reserve of an amount that was the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Corporation's use of exemptions under IFRS 1. However, if the increase in retained earnings that resulted from all IFRSs adjustments is not enough for this appropriation, only the increase in retained earnings that resulted from all IFRSs adjustments will be appropriated to special reserve. The special reserve appropriated as above may be reversed to retained earnings in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed.

d. Appropriation of earnings

In response to the conversion of the Corporation, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved in March 2017 by the board of directors which was authorized to assume the function of the shareholders' meeting. 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.

In accordance with the Corporation's Articles of Incorporation before modified, to expand the Corporation's operations and increase its profitability as well as comply with the Banking Act and relevant regulations, the Corporation applies the residual dividend policy. That is, the Corporation decides the time and amount of dividend allocation on the basis of relevant government regulations and the Corporation's Articles of Incorporation. In principle, the Corporation pays dividends in the form of cash. The cash dividends should not be more than 15% of paid-in capital when legal reserve is less than paid-in capital.

The current year's earnings will be first used to settle all taxes payable as well as 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 the accrued dividends of the past years and dividend of the current year.

When the Corporation's legal reserve equals its paid-in capital, or when the Corporation has complied with the FSC's financial soundness requirements and has provided a legal reserve based on the Company Act, the Corporation is no longer subject to the requirement for legal reserve appropriation and to the 15% of paid-in capital limit on cash dividend distribution.

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

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

Appropriation of the 2016 and 2015 earnings that approved by board of directors which entitled to execute shareholders' meeting function on May 22, 2017 and shareholders' meeting on April 25, 2016 respectively were as follows:

	2017	2016
Special reserve (reversal of special reserve)	$ (886,452)	$ 3,037,223
Cash dividends (NT$1.14 and NT$0.81 per share)	2,343,237	1,664,905

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

23. NET PROFIT OF SELLING FINANCIAL ASSETS

	For the Six Months Ended June 30	
	2017	2016
Gain (loss) on disposal of investments accounted for using the equity method, net	$ 1,013,663	$ (7,141)
Gain on disposal of financial assets measured at cost, net	811,990	687,288
Gain on disposal of available-for-sale financial assets, net	169,472	166,627
Gain on disposal of investments with no active market, net	-	181,989
	$ 1,995,125	$ 1,028,763

24. IMPAIRMENT LOSS ON ASSETS

	For the Six Months Ended June 30	
	2017	**2016**
Impairment loss on financial assets measured at cost	$ 353,601	$ 389,898
Impairment loss on available-for-sale financial assets	490	174,230
Others	5	1,571
	$ 354,096	$ 565,699

25. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2017	**2016**
Property and equipment	$ 22,089	$ 24,542
Investment property	7,876	7,182
Other non-current assets	8,505	8,722
	$ 38,470	$ 40,446
An analysis of depreciation by function		
Operating expenses	$ 22,089	$ 25,670
Non-operating expenses	7,876	6,054
	$ 29,965	$ 31,724
An analysis of amortization by function		
Operating expenses		
	$ 8,505	$ 8,722

26. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2017	**2016**
Employee benefit expense		
Salaries and wages	$ 397,841	$ 309,974
Employee insurance	18,898	20,165
Pension	7,598	11,185
Others	32,756	30,670
	$ 457,093	$ 371,994
An analysis by function		
Operating expense	$ 457,093	$ 371,994

To comply with the Company Act, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved by the board of directors which was authorized to assume the function of the shareholders' meeting to distribute the compensation of employees at the rates no less than 1% of net profit before paying income tax and the compensation of employees. However, if the Corporation had incurred cumulative losses, the profit should be used to offset the losses. For the six months ended June 30, 2017 and 2016, the compensation of employees was estimated at $17,138 thousand and $7,509 thousand, respectively.

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

For the years ended December 31, 2016 and 2015, the compensation of employees was $16,000 thousand and $47,000 thousand approved by the board of directors on March 27, 2017 and March 28, 2016, respectively.

There was no difference between the amounts recognized in the financial statements for the years ended December 31, 2016 and 2015.

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

27. OTHER GAINS AND LOSSES

	For the Six Months Ended June 30	
	2017	**2016**
Rent revenue	$ 53,649	$ 50,093
Other revenue	9,374	60,689
Other loss	(8,193)	(6,197)
Gain on reversal of allowance for bad debts	-	34,697
	$ 54,830	$ 139,282

28. INCOME TAX

a. Income tax expense

	For the Six Months Ended June 30	
	2017	**2016**
Current income tax		
Current period	$ (163,642)	$ (141,631)
Prior periods	7,448	122,106
	(156,194)	(19,525)
Deferred income tax	-	(491)
Income tax expense	$ (156,194)	$ (20,016)

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

	June 30, 2017	December 31, 2016	June 30, 2016
Tax charged to the parent company	$ 339,279	$ 461,986	$ 722,419
Tax paid to the parent company	$ 518,115	$ 386,864	$ 382,277

c. Integrated income tax

	June 30, 2017	December 31, 2016	June 30, 2016
Imputation credits accounts - the Corporation	$ 134,818	$ 102,280	$ 43,975

The Corporation's creditable tax ratios for the distribution of earnings of 2016 and 2015 were 7.00% and 4.61%.

Under the Income Tax Law, for distribution of earnings generated after January 1, 1998, the imputation credits allocated to ROC resident shareholders of the Corporation was calculated based on the creditable ratio as of the date of dividend distribution.

The Corporation had no unappropriated earnings generated before January 1, 1998.

d. Income tax assessments

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

The Corporation's income tax returns through 2011 had been examined by the tax authorities. However, the Corporation disagreed with the tax authorities' assessments of its 2010 tax returns and thus filed tax appeals.

Income tax returns of CDIB Capital Management Corp., formerly named CDIB Strategic Venture Fund Ltd. and formerly named China Venture Management Inc. through 2015 had been examined by the tax authorities. Income tax return of formerly named ROC Strategic Company Ltd. Through 2014 had been examined by the tax authorities. Income tax returns of CDIB venture Capital Corporation through 2013 had been examined by the tax authorities.

29. EARNINGS PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares Denominator (Shares in Thousands)	EPS (In Dollars)
For the six months ended June 30, 2017			
Net profit attributable to shareholders of parent company	$ 1,561,549	2,060,400	$ 0.76
For the six months ended June 30, 2016			
Net profit attributable to shareholders of parent company	$ 589,464	2,060,400	$ 0.29

30. DISPOSAL OF SUBSIDIARIES

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

a. Consideration received from the disposal is cash $2,132,887 thousand.

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

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

31. RELATED-PARTY TRANSACTIONS

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

Related Party	Relationship with the Corporation and subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. and it's subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and it's subsidiaries	Subsidiary of the parent company
Others	Other related parties

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

	Amount	%
June 30, 2017		
Subsidiary of the parent company	$ 5,661,640	49
December 31, 2016		
Subsidiary of the parent company	21,706,007	74
Other related parties	17,486	-
June 30, 2016		
Subsidiary of the parent company	24,307,194	92
Other related parties	6,292	-

For the six months ended June 30, 2017 and 2016, the interest revenues from cash in bank were $43,147 thousand and $53,382 thousand, respectively.

b. Interest receivables (recognized as other receivables)

	Amount	%
June 30, 2017	$ 1,043	-
December 31, 2016	7,074	1
June 30, 2016	11,653	2

c. Accrued income (recognized as other receivables)

	Amount	%
June 30, 2017		
Other related parties	$ 196,608	30
December 31, 2016		
Other related parties	128,793	23
June 30, 2016		
Other related parties	193,232	30

d. Other receivables - other

	Amount	%
June 30, 2017	$ 18,741	3
December 31, 2016	12,965	2
June 30, 2016	15,240	2

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

	June 30, 2017		December 31, 2016		June 30, 2016	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 339,279	98	$ 461,986	99	$ 722,419	99

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

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

	Amount	**%**
June 30, 2017	$ 182,305	2
December 31, 2016	166,408	2
June 30, 2016	160,421	2

g. Payables (recognized as other payables)

	Amount	**%**
June 30, 2017	$ 14,604	2
December 31, 2016	17,884	2

h. Dividends payable

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

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

	June 30, 2017		December 31, 2016		June 30, 2016	
	Amount	**%**	**Amount**	**%**	**Amount**	**%**
Parent company	$ 518,115	97	$ 386,864	98	$ 382,277	97

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

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

	Amount	**%**
June 30, 2017	$ 26,078	5
December 31, 2016	22,211	4
June 30, 2016	22,719	5

k. Consulting service revenues

		Amount	%
For the six months ended June 30, 2017			
Other related parties	$	226,567	84
For the six months ended June 30, 2016			
Other related parties		255,161	99

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

		Amount	%
For the six months ended June 30, 2017			
Subsidiary of the parent company	$	40,738	74
Parent company		7,886	14
Other related parties		3,830	7
For the six months ended June 30, 2016			
Subsidiary of the parent company		37,052	27
Parent company		4,559	3
Other related parties		3,828	3

The rent was based on market prices and receivable quarterly.

m. Donation (recognized as operating expenses)

		Amount	%
For the six months ended June 30, 2016	$	30,000	5

n. Compensation of key management personnel

	For the Six Months Ended June 30	
	2017	**2016**
Salary and short-term benefits	$ 76,976	$ 41,438
Post-employment benefits	416	384
Share-based payment	412	255
	$ 77,804	$ 42,077

32. RISK OF CAPITAL MANAGEMENT

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

33. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

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

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

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

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

June 30, 2017

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 90,548	$ -	$ -	$ 90,548
Financial assets designated as at FVTPL	-	-	846,347	846,347
Available-for-sale financial assets				
Stock investments	10,101,520	133,145	371,205	10,605,870
Bond investments	-	160,093	-	160,093

December 31, 2016

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 108,740	$ -	$ -	$ 108,740
Financial assets designated as at FVTPL	-	-	174,265	174,265
Available-for-sale financial assets				
Stock investments	8,759,455	143,902	307,895	9,211,252
Bond investments	50,597	108,201	-	158,798
Derivative financial instruments				
Financial assets				
Financial assets at FVTPL	-	-	9,824	9,824

June 30, 2016

(In Thousands of New Taiwan Dollars)

	Level I	Level II	Level III	Total
Measured at fair value used by repetitive basis				
Nonderivative financial instruments				
Financial assets				
Financial assets at FVTPL				
Financial assets held for trading				
Stock investments	$ 92,243	$ -	$ -	$ 92,243
Financial assets designated as at FVTPL	-	-	160,940	160,940
Available-for-sale financial assets				
Stock investments	8,191,195	580,588	267,811	9,039,594
Bond investments	-	161,951	-	161,951

3) Financial instruments measured at fair value

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

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

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

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

There is no movement of financial instrument hierarchy between Level I and Level II for the six months ended June 30, 2016.

5) Reconciliation of Level III items of financial instruments

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

For the Six Months Ended June 30, 2017

(In Thousands of New Taiwan Dollars)

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

For the Six Months Ended June 30, 2016

(In Thousands of New Taiwan Dollars)

Items	Beginning Balance	Valuation Gains (Losses) Recognized as Current Income (Loss) or Other Comprehensive Income	Amount of Increase		Amount of Decrease		Ending Balance
			Purchase, Issue or Added	Transfer to Level III	Sale, Disposal, Settlement or Derecognition	Transfer from Level III	
Financial assets at FVTPL							
Financial assets designated as FVTPL	$ 188,401	$ (27,461)	$ -	$ -	$ -	$ -	$ 160,940
Available-for-sale financial assets	-	-	267,811	-	-	-	267,811

The total gains or losses for the six months ended June 30, 2017 and 2016 included loss of $70,246 thousand and $27,461 thousand relating to assets and liabilities measured at fair value on Level III fair value measurement and held at the end of reporting date.

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

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

	Fair Value at June 30, 2017	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL					
Convertible (exchangeable) corporate bonds	$ 270,841	Market approach	EV/EBITDA Multiple	8.76	When the higher income multiplier, the higher of fair value; 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
			Lack of liquidity discount	15%	
		Discounted cash-flow method	Lack of liquidity discount	15%	
			WACC	11.53%	
			Growth rate	3.0%	
		Recent strike price	-	-	-
Associates	322,105	Net asset method	-	-	-
Convertible (exchangeable) preferred stock	253,401	Recent strike price	-	-	-
Available-for-sale financial assets	371,205	Discounted cash-flow method	Lack of liquidity discount	20%	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
			WACC	12.1%-15.4%	
			Growth rate	2.5%-7.0%	
		Recent strike price	-	-	-

	Fair Value at December 31, 2016	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL					
Convertible (exchangeable) corporate bonds	$ 158,126	Recent strike price	-	-	-
Convertible (exchangeable) preferred stock	16,139	Recent strike price	-	-	-
Available-for-sale financial assets	307,895	Discounted cash-flow method	Lack of liquidity discount	20%	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
			WACC	11.7%	
			Growth rate	2.5%-7.2%	
		Recent strike price	-	-	-
Derivative instruments					
Others	9,824	Recent strike price	-	-	-

	Fair Value at June 30, 2016	Valuation Techniques	Significant Unobservable Inputs	Range (Average Weighted)	The Relationship Between Inputs and Fair Value
Measured at fair value used by repetitive basis					
Non-derivative instruments					
Financial assets at FVTPL	$ 160,940	Market approach	EV/Sales Multiple	2.49	When the higher income multiplier, the higher of fair value; when the higher lack of liquidity discount, the lower of fair value
			Lack of liquidity discount	15%	
Available-for-sale financial assets	267,811	Recent strike price	-	-	-

7) Pricing process of level III fair value

The Corporation and subsidiaries' pricing models and condition assumptions conform to those generally used in the market and are commonly recognized by the industry as bases for measuring fair value. Further, the Corporation and subsidiaries verifies whether the sources of the information are independent or whether the information itself reasonably reflects prices in normal circumstances, and also examines and adjusts fair value periodically to insure that valuation results are reasonable. Investment Property is valued by the Corporation and subsidiaries based on FSC's declaration of valuation method and parameters or committed to appraisers to make valuation.

b. Fair value information - financial instruments not carried at fair value

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

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

c. Categories of financial instruments

	June 30, 2017	December 31, 2016	June 30, 2016
Financial assets			
Fair value through profit or loss (FVTPL)			
Held for trading	$ 435,829	$ 476,105	$ 518,846
Designated as at FVTPL	846,347	174,265	160,940
	$ 1,282,176	$ 650,370	$ 679,786
Loans and receivables			
Cash and cash equivalent	$ 11,569,843	$ 29,371,443	$ 26,359,116
Other receivables	650,521	565,822	635,486
Acquired loans	-	1,117,672	1,153,075
Others	76,340	78,144	77,600
	$ 12,296,704	$ 31,133,081	$ 28,225,277
Available-for-sale financial assets			
Available-for-sale financial assets	$ 10,765,963	$ 9,370,050	$ 9,201,545
Financial assets measured at cost	15,605,157	16,708,198	17,586,059
	$ 26,371,120	$ 26,078,248	$ 26,787,604

(Continued)

	June 30, 2017	December 31, 2016	June 30, 2016
Financial liabilities			
Amortized cost			
Short-term loans	$ -	$ 100,000	$ -
Short-term bills payable	-	699,681	779,762
Other payables	2,951,864	860,519	624,410
Others	392,971	411,715	412,328
	$ 3,344,835	$ 2,071,915	$ 1,816,500

(Concluded)

d. Risk management policies and objective

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

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

1) Market risk

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

a) Foreign currency rate risk information

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

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2017		
	Foreign Currencies	Exchange Rate	New Taiwan Dollars
Financial assets			
Monetary items			
USD	$ 246,856	30.436	$ 7,513,313
HKD	116,075	3.899	452,578
RMB	78,676	4.490	353,083
KRW	6,669,220	0.027	177,168
JPY	429,353	0.272	116,612

(Continued)

	June 30, 2017		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Investment accounted for using the equity method			
USD	$ 87,644	30.436	$ 2,667,530
RMB	669,143	4.490	3,004,115
Financial liabilities			
Monetary items			
USD	15,898	30.436	483,869

(Concluded)

	December 31, 2016		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 245,665	32.279	$ 7,929,817
HKD	114,029	4.162	474,611
RMB	60,969	4.622	281,794
KRW	7,363,850	0.027	197,506
JPY	429,029	0.276	118,283
Investment accounted for using the equity method			
USD	65,502	32.279	2,114,355
RMB	459,967	4.622	2,125,923
Financial liabilities			
Monetary items			
USD	18,733	32.279	604,671

	June 30, 2016		
	Foreign Currencies	**Exchange Rate**	**New Taiwan Dollars**
Financial assets			
Monetary items			
USD	$ 257,415	32.286	$ 8,310,887
HKD	136,572	4.161	568,305
RMB	66,441	4.848	322,127
KRW	6,950,819	0.028	194,498
JPY	427,496	0.314	134,319
Investment accounted for using the equity method			
USD	63,960	32.286	2,065,027
RMB	368,097	4.848	1,784,645
Financial liabilities			
Monetary items			
USD	16,314	32.286	526,725

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.

	Impact to Profit or Loss For the Six Months Ended June 30	
	2017	**2016**
Monetary items		
USD	$ 70,294	$ 77,842
HKD	4,526	5,683
RMB	3,531	3,221
KRW	1,772	1,945
JPY	1,166	1,343

b) Interest rate risk

The primary financial assets of the Corporation and subsidiaries with exposure to interest rates as of June 30, 2017 and 2016 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 other comprehensive income for the six months ended June 30, 2017 and 2016 would increase/decrease by $106,059 thousand and $90,396 thousand, respectively, as a result of the changes in fair value of available-for-sale shares.

2) Credit risk

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

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

3) Liquidity risk

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

The Corporation's Management policies of liquidity risk are as follows:

a) Dispose of surplus capital should consider possible future capital requirements, deconcentration of capital sources and reasonable liquidity of liability Structure.

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

As of June 30, 2017, December 31, 2016 and June 30, 2016, other financial liabilities are $364,557 thousand, $386,632 thousand and $386,716 thousand, respectively, and will be paid by financial assets and the rest of nonderivative financial liabilities are $2,980,278 thousand, $1,685,283 thousand and $1,429,784 thousand, respectively, and are mainly all current liabilities.

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

a. In April 2007, the Corporation and Morgan Stanley entered into a CDS contract that was tied to a synthetic collateralized debt obligation on residential mortgage-backed securities. The representations made to the Corporation by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant losses to the Corporation. On July 15, 2010, the Corporation initiated action against Morgan Stanley & Co. International PLC ("Morgan Stanley") et al. to recover losses the Corporation suffered as a result of its investment in a Morgan Stanley's credit default swap (CDS) product that had been tied to a synthetic collateralized debt obligation on residential mortgage-backed securities; the representations made to the Corporation by Morgan Stanley during the solicitation process were materially false and misleading and therefore caused significant financial losses to the Corporation. As of December 31, 2010, the underlying asset pools on the CDS had been liquidated, and the Corporation had recognized all gains and losses from the transaction. The balance of US$11,978 thousand (NT$364,557 thousand based on the exchange rate of June 30, 2017) was reclassified to "other financial liabilities". The litigation had not yet been concluded as of June 30, 2017. In addition, Morgan Stanley overlooked the Corporation's efforts and terminated interest rate swap (IRS) contracts (nominal principal amount: KRW24,000,000 thousand) and CDS contracts (nominal principal amount: JPY586,510 thousand) in August 2010, the Corporation reserves the right of legal proceedings.

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

35. ADDITIONAL DISCLOSURES

a. Following are the additional disclosures required by the Securities and Futures Bureau for the Corporation and subsidiaries:

   1) Financing provided: The Corporation: Not applicable. For information on other subsidiaries: None.

   2) Collaterals/guarantees provided: The Corporation: Not applicable. For information on other subsidiaries: None.

   3) Marketable securities held: The Corporation: Not applicable. For information on other subsidiaries, please refer to Table 1 (attached).

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

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

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

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

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

9) Derivative transactions: Please refer to Notes 8 and 33.

10) Intercompany relationships and significant intercompany transactions: None.

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

b. Information on investments in mainland China

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

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

36. SEGMENT INFORMATION

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
The Corporation	Stocks							
	China Metal Products Co., Ltd.	-	Available-for-sale financial assets	12,381,003	$ 377,002	3.21	$ 377,002	
	Tong Hsing Electronic Industries, Ltd.	-	Available-for-sale financial assets	1,400,248	177,131	0.85	177,131	
	ATEN International Co., Ltd.	-	Available-for-sale financial assets	1,541,211	129,462	1.29	129,462	
	Qisda Corporation	-	Available-for-sale financial assets	149,470,816	3,475,196	7.60	3,475,196	
	Powertech Industrial Co., Ltd.	-	Available-for-sale financial assets	3,712,596	69,240	3.60	69,240	
	Innolux Corporation	-	Available-for-sale financial assets	8,132,740	129,311	0.08	129,311	
	Darfon Electronics Corp.	-	Available-for-sale financial assets	986,000	27,707	0.35	27,707	
	Chipbond Technology Corporation	-	Available-for-sale financial assets	7,971,229	373,054	1.23	373,054	
	Chime Ball Technology Co., Ltd.	-	Available-for-sale financial assets	522,637	26,550	1.29	26,550	
	Copartner Technology Corporation	-	Available-for-sale financial assets	11,024,340	191,824	12.97	191,824	
	King Yuan Electronics Co., Ltd.	-	Available-for-sale financial assets	6,671,695	207,823	0.57	207,823	
	Taihan Precision Technology Co., Ltd.	-	Available-for-sale financial assets	2,281,387	40,381	3.64	40,381	
	Dynamic Electronics Co., Ltd.	-	Available-for-sale financial assets	9,449,006	87,309	3.36	87,309	
	Formosa Taffeta Co., Ltd.,	-	Available-for-sale financial assets	2,017,000	57,384	0.46	57,384	
	Green Energy Technology Inc.	-	Available-for-sale financial assets	371,561	5,443	0.09	5,443	
	Aspeed Technology Inc.	-	Available-for-sale financial assets	134,276	90,771	0.40	90,771	
	Solartech Energy Corp.	-	Available-for-sale financial assets	7,857,266	98,216	2.12	98,216	
	Neo Solar Power Corp.	-	Available-for-sale financial assets	14,012,424	193,435	1.38	193,435	
	FocalTech Systems Co., Ltd.	-	Available-for-sale financial assets	3,568,061	124,347	1.20	124,347	
	Lextar Electronics Corp.	-	Available-for-sale financial assets	11,040,065	198,721	2.15	198,721	
	Globalwafers. Co., Ltd.	-	Available-for-sale financial assets	1,918,072	407,590	0.52	407,590	
	Gallant Precision Machining Co., Ltd.	-	Available-for-sale financial assets	8,709,358	219,040	5.27	219,040	
	De Poan Pneumatic Corp.	-	Available-for-sale financial assets	2,093,000	30,872	4.06	30,872	
	Kuangli Photoelectric Technology Co., Ltd.	-	Available-for-sale financial assets	5,224,326	56,945	11.45	56,945	
	Sino-American Silicon Products Inc.	-	Available-for-sale financial assets	3,423,956	154,592	0.59	154,592	
	Sunko Ink Co., Ltd.	-	Available-for-sale financial assets	11,381,788	165,605	5.12	165,605	
	Taiwan Hon Chuan Enterprise Co., Ltd.	-	Available-for-sale financial assets	740,086	44,923	0.25	44,923	
	China Development Financial Holding Corp.	Parent	Available-for-sale financial assets	20,646,142	182,305	0.14	182,305	
	EPISTAR Corporation	-	Available-for-sale financial assets	2,442,607	68,515	0.22	68,515	
	Magnate Technology Co., Ltd.	-	Available-for-sale financial assets	250,000	6,100	0.46	6,100	
	Utechzone Co., Ltd.	-	Available-for-sale financial assets	2,778,496	146,427	4.54	146,427	
	Donpon Precision Inc.	-	Available-for-sale financial assets	6,793,493	110,734	6.82	110,734	
	ADDA Corp.	-	Available-for-sale financial assets	5,076,000	65,988	3.48	65,988	
	Topoint Technology Co., Ltd.	-	Available-for-sale financial assets	1,492,910	36,950	0.92	36,950	
	Pili International Multimedia Co., Ltd.	-	Available-for-sale financial assets	1,233,000	97,307	2.57	97,307	
	Super Dragon Technology Co., Ltd.	-	Available-for-sale financial assets	300,512	4,177	0.29	4,177	
	Aces Electronics Co., Ltd.	-	Available-for-sale financial assets	1,134,483	32,730	0.92	32,730	
	Coland Holdings Limited	-	Available-for-sale financial assets	561,402	23,579	0.72	23,579	
	Entery Industrial Co., Ltd.	-	Available-for-sale financial assets	8,364,000	69,820	13.60	69,820	
	Taiwan Stock Exchange	-	Financial assets measured at cost	47,419,429	8,400	7.00	3,500,395	
	Logitech Inc.	-	Financial assets measured at cost	2,965,248	23,862	10.69	33,278	
	Solar Fine Chemical Co., Ltd.	-	Financial assets measured at cost	4,828,064	61,960	10.83	54,125	
	Gold Peak Industries (Taiwan) Ltd.	-	Financial assets measured at cost	30,616,980	173,341	15.04	20,085	
	Dee Van Enterprise Co., Ltd.	-	Financial assets measured at cost	4,225,979	120,761	6.04	86,633	
	National Glory Development Corp.	-	Financial assets measured at cost	646,884	4,993	6.47	6,713	
	TopGreen Technology Co., Ltd.	-	Financial assets measured at cost	633,377	17,499	1.17	9,222	
	Everest Display Inc.	-	Financial assets measured at cost	408,760	4,297	2.49	2,246	
	Insrea Game Center Corporation	-	Financial assets measured at cost	3,000,000	8,610	17.65	2,565	
	Hair O’right International Corp.	-	Financial assets measured at cost	1,835,837	89,120	9.02	93,189	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
The Corporation	Stocks							
	DaBomb Protein Corp.	-	Financial assets measured at cost	3,128,160	$ 83,032	12.86	$ 100,727	
	Initio Corporation	-	Financial assets measured at cost	490,725	3,599	2.72	(2,483)	
	Power Venture Co.	-	Financial assets measured at cost	769,597	7,696	5.68	7,395	
	Taiwan Futures Exchange	-	Financial assets measured at cost	1,568,249	10,250	0.51	103,398	
	Ori Vita Bio Application Inc.	-	Financial assets measured at cost	858,690	8,587	0.42	4,511	
	Echem Hightech Co., Ltd.	-	Financial assets measured at cost	1,535,934	22,600	11.69	26,202	
	Yenyo Technology Co., Ltd.	-	Financial assets measured at cost	4,000,000	42,000	9.91	29,893	
	E-one Moli Energy Corp.	-	Financial assets measured at cost	6,035,000	105,234	2.40	10,379	
	Jouge Technology Co., Ltd.	-	Financial assets measured at cost	1,568,700	32,625	9.68	16,322	
	HealthStream Taiwan Inc.	-	Financial assets measured at cost	4,774,523	59,980	13.96	56,726	
	Subtron Technology Co., Ltd.	-	Financial assets measured at cost	12,316,000	193,819	4.31	86,828	
	Orgchem Technologies, Inc.	-	Financial assets measured at cost	1,067,220	49,000	1.86	18,341	
	General Life Biotechnology Co., Ltd.	-	Financial assets measured at cost	2,520,000	54,000	8.40	21,234	
	Mec Imex Inc.	-	Financial assets measured at cost	4,802,000	107,853	10.52	90,824	
	Chain Yarn Corporation	-	Financial assets measured at cost	15,828,324	222,642	10.30	145,779	
	Yieh United Steel Corp.	-	Financial assets measured at cost	12,354,622	100,950	0.47	84,382	
	Hua-jie (Taiwan) Corp.	-	Financial assets measured at cost	1,300,403	13,395	6.45	13,205	
	AMIA Co.	-	Financial assets measured at cost	6,000,000	210,000	9.54	126,000	
	Up Scientech Materials Corp.	-	Financial assets measured at cost	4,651,344	252,200	6.85	117,665	
	PlexBio Co., Ltd.	-	Financial assets measured at cost	3,526,000	88,150	6.93	68,651	
	Riselink Restructuring Fund Corporation	-	Financial assets measured at cost	8,015,792	80,158	12.50	79,413	
	5V Technologies, Ltd.	-	Financial assets measured at cost	159,435	10,172	0.99	(272)	
	Elit Fine Ceramics Co., Ltd.	-	Financial assets measured at cost	5,000,000	48,000	10.64	14,322	
	Top Green Energy Technologies, Inc.	-	Financial assets measured at cost	16,240,740	292,333	12.99	84,121	
	Aptos Technology	-	Financial assets measured at cost	10,620,446	319,933	7.44	55,303	
	Lager Network Technologies Inc.	-	Financial assets measured at cost	1,500,000	30,000	5.00	72	
	Sunshine PV Corp.	-	Financial assets measured at cost	3,187,128	31,871	4.67	12,863	
	Eversol Corporation	-	Financial assets measured at cost	7,015,000	1,403	2.50	(30)	
	Awise Fiber Technology Co., Ltd.	-	Financial assets measured at cost	3,500,000	43,750	18.15	4,644	
	Biodenta Corporation	-	Financial assets measured at cost	1,500,000	3,750	3.58	45,000	
	Orient Pharma Co., Ltd.	-	Financial assets measured at cost	2,857,800	55,307	2.20	64,701	
	Wai-Gin Industrial Co., Ltd.	-	Financial assets measured at cost	1,170,000	11,106	3.44	10,472	
	ARCOA Communication Co., Ltd.	-	Financial assets measured at cost	7,567,424	101,207	5.64	97,868	
	Eastern Electronic Co., Ltd.	-	Financial assets measured at cost	4,348,680	46,598	6.47	60,731	
	HCT Logistics Co., Ltd.	-	Financial assets measured at cost	4,920,876	113,705	1.97	244,637	
	Topview Optronics Corp.	-	Financial assets measured at cost	1,569,000	40,346	7.47	78,450	
	Vita Genomics, Inc.	-	Financial assets measured at cost	141,310	1,413	0.13	1,268	
	Foresee Pharmaceuticals Co., Ltd.	-	Financial assets measured at cost	3,224,867	139,899	4.03	207,036	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	2,118,764	41,289	6.27	5,975	
	Jochu Technology Co., Ltd.	-	Financial assets measured at cost	4,746,720	145,462	5.83	57,435	
	Kaohsiung Rapid Transit Corporation.	-	Financial assets measured at cost	3,845,330	39,703	1.38	41,150	
	STL Technology Co., Ltd.	-	Financial assets measured at cost	5,455,881	191,968	7.77	55,868	
	Nan Pao Resins Chemical Co., Ltd.	-	Financial assets measured at cost	1,267,875	105,000	1.23	83,220	
	DragonJet Corporation	-	Financial assets measured at cost	4,300,000	178,450	4.77	84,064	
	Vactronics Technologies Inc.	-	Financial assets measured at cost	2,375,533	48,060	5.46	28,619	
	Chipsip Technology Co., Ltd.	-	Financial assets measured at cost	1,915,288	7,853	4.56	4,364	
	Terawins, Inc.	-	Financial assets measured at cost	1,913,996	27,173	6.30	27,533	
	Feature Integration Technology Inc.	-	Financial assets measured at cost	1,341,803	52,585	4.03	15,390	
	Mosart Semiconductor Corp.	-	Financial assets measured at cost	2,731,098	60,056	10.57	27,494	
	EVA Technologies Co., Ltd.	-	Financial assets measured at cost	5,376,341	97,940	10.43	18,962	
	Luxtaltek Corporation	-	Financial assets measured at cost	1,535,188	27,094	2.47	8,914	
	Overseas Investment & Development Corp.	-	Financial assets measured at cost	2,600,000	26,000	2.89	27,467	
	Microprogram Co., Ltd.	-	Financial assets measured at cost	2,550,000	68,000	7.95	32,622	
	Lefram Technology Corporation	-	Financial assets measured at cost	7,484,454	54,757	17.48	43,410	
	Motive Power Industry Co., Ltd.	-	Financial assets measured at cost	10,000,000	141,000	10.00	173,997	
	Core Pacific City Co., Ltd.	-	Financial assets measured at cost	10,000,000	62,500	0.63	81,400	
	TAK Technology Co., Ltd.	-	Financial assets measured at cost	2,467,706	2,665	4.14	13,981	
	Luminous Town Electric Co., Ltd.	-	Financial assets measured at cost	6,915,749	65,402	10.35	68,786	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017 Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	Note
The Corporation	Stocks							
	Engineering & IP Advanced Technologies Ltd.	-	Financial assets measured at cost	4,216	$ 2	0.00	$ 5	
	Gloria Solar International Holding, Inc.	-	Financial assets measured at cost	4,000,000	17,920	3.43	(423)	
	Excelsior Medical Co., Ltd.	-	Financial assets measured at cost	33,000	147,857	4.81	140,911	
	JHL. Biotech, Inc.	-	Financial assets measured at cost	8,382,844	144,842	3.81	456,949	
	Java Fund	-	Financial assets measured at cost	2,111	6	11.34	53	
	Easten Power and Electric Company Limited	-	Financial assets measured at cost	3,201,019	295,572	12.00	402,209	
	Beauty Essentials International Ltd.	-	Financial assets measured at cost	86,503,067	179,045	8.79	217,165	
	Engineering & IP Advanced Technologies Ltd. - preferred stock	-	Financial assets measured at cost	6,392,765	2,354	0.35	8,180	
	Lightel Technologies, Inc. - preferred stock	-	Financial assets measured at cost	3,000,000	89,700	43.44	76,881	
	Apexigen, Inc. - preferred stock	-	Financial assets measured at cost	4,970,588	75,847	9.59	159,599	
	JHL Biotech, Inc. - preferred stock A	-	Financial assets measured at cost	2,109,081	66,189	7.43	-	
	Leyou, Inc. - preferred stock D	-	Financial assets measured at cost	663,958,732	450,150	75.00	103,656	
	Corporate bond							
	Belta (Cayman) Holding Limited	-	Debt instruments with no active markets	11,959,916	358,439	-	190,487	
	Fund							
	CommLaunch	-	Financial assets measured at cost	-	40,092	-	84,108	
	Platinum Venture Capital L.P.	-	Financial assets measured at cost	-	6,492	-	6,803	
	ARCH Venture Fund V, L.P.	-	Financial assets measured at cost	-	26,640	-	7,039	
	Forward Venture IV, L.P.	-	Financial assets measured at cost	-	15,719	-	11,375	
	Forward Venture V	-	Financial assets measured at cost	-	64,388	-	42,711	
	MPM Bioventures III L.P.	-	Financial assets measured at cost	-	61,506	-	19,757	
	Sanderling	-	Financial assets measured at cost	-	31,839	-	13,203	
	Fund							
	Ca-hire Co-Investment, L.P.-Coates Hire Funding	-	Financial assets measured at cost	-	135,062	-	82,534	
	Samara Capital Partners Fund I Limited	-	Financial assets measured at cost	-	199,658	-	180,774	
	THL Equity Fund VI Investors (Ceridan) L.P.	-	Financial assets measured at cost	-	228,510	-	275,159	
CDIB Capital Management Inc.	Stocks							
	Tong Hsing Electronic Industries, Ltd.	-	Available-for-sale financial assets	660,000	83,490	0.40	83,490	
	ATEN International Co., Ltd.	-	Available-for-sale financial assets	65,660	5,515	0.05	5,515	
	Powertech Industrial Co., Ltd.	-	Available-for-sale financial assets	199,229	3,716	0.19	3,716	
	Victory Circuit Co., Ltd.	-	Available-for-sale financial assets	101,240	2,469	0.14	2,469	
	Pili International Multimedia Co., Ltd.	-	Available-for-sale financial assets	300,000	23,610	0.63	23,610	
	Initio Corporation	-	Financial assets measured at cost	93,285	68	0.52	(35)	
	MCM Stamping Co., Ltd.	-	Financial assets measured at cost	70,000	2,100	0.22	757	
	ARCOA Communication Co., Ltd.	-	Financial assets measured at cost	783,000	7,493	0.58	10,126	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	235,474	4,485	0.70	664	
	EVA Technologies Co., Ltd.	-	Financial assets measured at cost	744,058	4,824	1.44	2,624	
	Luminous Town Electric Co., Ltd.	-	Financial assets measured at cost	1,080,883	10,222	1.62	10,751	
CDIB Venture Capital Corporation	Stocks							
	ATEN International Co., Ltd.	-	Available-for-sale financial assets	2,283,567	191,820	1.91	191,820	
	Anpec Electronics Corporation	-	Available-for-sale financial assets	3,709,011	141,499	3.61	141,499	
	HIM International Music Inc.	-	Available-for-sale financial assets	906,960	112,463	2.12	112,463	
	Macroblock, Inc.	-	Available-for-sale financial assets	250,000	18,450	0.75	18,450	
	Taihan Precision Technology Co., Ltd.	-	Available-for-sale financial assets	3,215,158	55,315	4.98	55,315	
	Dynamic Electronics Co., Ltd.	-	Available-for-sale financial assets	3,285,131	30,355	1.17	30,355	
	Dyaco Co., Ltd.	-	Available-for-sale financial assets	5,575,500	209,360	6.00	209,360	
	Formosa Taffeta Co., Ltd.,	-	Available-for-sale financial assets	100,000	2,845	0.02	2,845	
	Solartech Energy Corp.	-	Available-for-sale financial assets	5,215,328	62,091	1.41	62,091	
	Neo Solar Power Corp.	-	Available-for-sale financial assets	4,555,307	62,049	0.44	62,049	
	FocalTech Systems Co., Ltd.	-	Available-for-sale financial assets	495,352	17,263	0.17	17,263	
	Lextar Electronics Corp.	-	Available-for-sale financial assets	2,608,065	46,945	0.51	46,945	
	Gallant Precision Machining Co., Ltd.	-	Available-for-sale financial assets	1,247,499	31,375	0.76	31,375	
	Shin Zu Shing Co., Ltd.	-	Available-for-sale financial assets	613,462	59,199	0.34	59,199	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017 Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	Note
CDIB Venture Capital Corporation	Stocks							
	Enterex International Limited	-	Available-for-sale financial assets	1,751,000	$ 78,970	1.74	$ 78,970	
	Regal Holding Co., Ltd.	-	Available-for-sale financial assets	2,200,000	148,720	5.77	148,720	
	Sino-American Silicon Products Inc.	-	Available-for-sale financial assets	4,904,562	184,869	0.71	184,869	
	Interactive Digital Technologies Inc.	-	Available-for-sale financial assets	1,881,000	100,257	4.07	100,257	
	Sunfun Info Co., Ltd.	-	Available-for-sale financial assets	810,000	22,680	5.69	22,680	
	ASRock Inc.	-	Available-for-sale financial assets	424,462	24,873	0.37	24,873	
	Share Hope Medicine Co., Ltd.	-	Available-for-sale financial assets	223,663	7,962	0.30	7,962	
	Topoint Technology Co., Ltd.	-	Available-for-sale financial assets	2,513,383	62,206	1.58	62,206	
	Aces Electronics Co., Ltd.	-	Available-for-sale financial assets	2,850,421	82,235	2.31	82,235	
	China Communications Media Group Co., Ltd.	-	Available-for-sale financial assets	555,000	10,379	1.46	10,379	
	Strong LED Lighting Systems (Cayman) Co., Ltd.	-	Available-for-sale financial assets	441,000	9,878	1.19	9,878	
	Shane Global Holding Inc.	-	Available-for-sale financial assets	1,715,700	157,179	1.72	157,179	
	Victory Circuit Co., Ltd.	-	Available-for-sale financial assets	202,480	14,363	0.29	14,363	
	4Gamers Entertainment Inc. - preferred stock	-	Available-for-sale financial assets	24,000	12,174	20.00	80	
	Citiesocial Inc. - preferred stock	-	Available-for-sale financial assets	479,635	15,218	18.18	15,218	
	Achieve Made International Limited - preferred stock	-	Available-for-sale financial assets	168,138	12,174	6.67	6	
	Dee Van Enterprise Co., Ltd.	-	Financial assets measured at cost	1,408,659	35,751	2.01	28,878	
	AMPAK Technology Inc.	-	Financial assets measured at cost	1,208,650	24,795	1.44	19,628	
	Azotek Co., Ltd.	-	Financial assets measured at cost	824,500	27,645	1.65	10,384	
	Yenyo Technology Co., Ltd.	-	Financial assets measured at cost	500,000	5,250	1.24	3,737	
	Pai Lung Machinery Mill Co., Ltd.	-	Financial assets measured at cost	1,500,000	33,000	4.22	6,770	
	Fukuta Co., Ltd.	-	Financial assets measured at cost	1,400,000	119,000	4.91	38,886	
	Chain Yarn Corporation	-	Financial assets measured at cost	843,653	11,504	0.55	7,770	
	Handa Pharmaceuticals Inc.	-	Financial assets measured at cost	2,809,000	89,888	2.69	198,035	
	Top Green Energy Technologies, Inc.	-	Financial assets measured at cost	1,111,111	16,667	0.89	610	
	DL-tek Co., Ltd.	-	Financial assets measured at cost	3,772,331	51,100	1.03	39,612	
	Biodenta Corporation	-	Financial assets measured at cost	1,299,999	3,250	3.10	267	
	Sum Max Tech. Limited	-	Financial assets measured at cost	2,500,419	124,115	13.65	230,289	
	M2Communication, Inc.	-	Financial assets measured at cost	6,477,527	96,810	16.73	31,877	
	Cvie Therapeutics Limited	-	Financial assets measured at cost	846,351	40,262	4.15	(2,535)	
	GSD Technologies Co., Ltd.	-	Financial assets measured at cost	5,841,702	108,946	19.47	129,498	
	Beyond Innovation Technology Co., Ltd.	-	Financial assets measured at cost	630,518	8,995	1.87	1,778	
	Jochu Technology Co., Ltd.	-	Financial assets measured at cost	3,725,007	107,176	4.57	45,073	
	Trea Xtal Technology Corp.	-	Financial assets measured at cost	2,781,000	1,669	1.46	(2,240)	
	STL Technology Co., Ltd.	-	Financial assets measured at cost	7,002,053	255,605	9.97	71,701	
	Chipsip Technology Co., Ltd.	-	Financial assets measured at cost	428,928	1,759	1.02	977	
	Greatland Electronics Taiwan Ltd.	-	Financial assets measured at cost	1,920,000	6,720	5.50	10,013	
	Luxtaltek Corporation	-	Financial assets measured at cost	124,474	2,197	0.20	723	
	Shengzhuang Holding Limited	-	Financial assets measured at cost	610,590	151,150	6.11	570	
	Excelsior Medical Co., Ltd.	-	Financial assets measured at cost	33,000	146,075	4.81	4,629	
	CBA Sports International Ltd.	-	Financial assets measured at cost	514,821	78,046	0.69	3,159	
	Cvie Therapeutics Company Limited	-	Financial assets measured at cost	560,000	21,708	4.15	(298)	
	Hartec Asia Pte. Ltd.	-	Financial assets measured at cost	2,800,000	99,603	10.23	3,522	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets measured at cost	11,167,513	73,874	40.74	109	
	Zentera System, Inc.	-	Financial assets measured at cost	1,324,503	61,900	39.35	9,182	
	FUNP Co., Ltd. - preferred stock	-	Financial assets measured at cost	400,000	48,283	20.00	54,776	
	Derbysoft Holdings Limited - preferred stock A	-	Financial assets measured at cost	28,000,000	91,938	45.78	2,594	
	Derbysoft Holdings Limited - preferred stock B	-	Financial assets measured at cost	4,643,469	15,297	9.26	430	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	15,218	2.46	15,218	
	Option							
	CBA Sports International Ltd.	-	Financial assets measured at cost	-	142,819	-	72,262	
	Corporate bond							
	Capital Excel Investment Limited	-	Financial assets at fair value through profit or loss	2,000	149,097	-	149,097	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Capital Investment I Limited	Stocks							
	DaChan Food (Asia) Ltd.	-	Available-for-sale financial assets	48,210,000	US$ 4,138	4.74	US$ 4,138	
	Global Sweeteners Holdings Ltd.	-	Available-for-sale financial assets	24,298,000	US$ 809	1.59	US$ 809	
	CCAP Best Logistics Holdings Limited	-	Available-for-sale financial assets	1,000	US$ 5,732	11.11	US$ 5,732	
	BP SCI, LLC	-	Financial assets measured at cost	30,000	US$ 3,000	18.61	US$ 4,243	
	Casper Sleep, Inc.	-	Financial assets measured at cost	266,690	US$ 7,500	20.05	US$ 7,500	
	BP SCI, LLC - preferred stock	-	Financial assets measured at cost	12,000	US$ 12,000	18.61	US$ 16,971	
	Great Team Backend Foundry Inc. - preferred stock	-	Financial assets measured at cost	1,636,800	US$ 818	1.91	US$ 759	
	Rock Mobile (Cayman) Co. - preferred stock C	-	Financial assets measured at cost	840,336	US$ 1,000	3.26	US$ 180	
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	13,722,047	US$ 7,826	3.40	US$ 7,826	
	Fund							
	Carlyle Asia Partners II, L.P.	-	Financial assets measured at cost	-	US$ 4,231	-	US$ 1,574	
	Ripley Cable Holdings I, L.P.	-	Financial assets measured at cost	-	US$ 540	-	US$ 10,152	
	MSD Sports Partners, L. P.	-	Financial assets measured at cost	-	US$ 8,060	-	US$ 8,412	
	Option							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Financial assets measured at cost	-	US$ 1,785	-	US$ 8,136	
	Convertible (exchange) corporate bond							
	Garden Fresh (HK) Fruit & Vegetable Beverage Co., Ltd.	-	Debt instruments with no active markets	28,094,510	US$ 4,368	-	US$ 4,144	
	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							
	Neo-neon Holdings Ltd.	-	Available-for-sale financial assets	14,000,000	US$ 1,614	0.66	US$ 1,614	
	Great Rich Technologies Limited	-	Available-for-sale financial assets	1,660,000	US$ 5,237	2.46	US$ 5,238	
	CBA Sports International Ltd.	-	Financial assets measured at cost	508,929	US$ 2,733	0.89	US$ 3,123	
	Indostar Capital	-	Financial assets measured at cost	992,674	US$ 9,927	4.53	US$ 13,294	
	Indostar Everstone - preferred stock	-	Financial assets measured at cost	992,332	US$ 9,923	9.37	US$ 27,487	
	Option							
	CBA Sports International Ltd.	-	Financial assets measured at cost	-	US$ 4,867	-	US$ 2,347	
	Fund							
	Miare Asset Partners Private Equity Fund VII	-	Financial assets measured at cost	-	US$ 4,096	-	US$ 6,313	
CDIB Global Markets Limited	Stocks							
	GoPro, Inc.	-	Available-for-sale financial assets	51,878	US$ 422	0.04	US$ 422	
	Light Sciences Oncology, Inc.	-	Financial assets measured at cost	250,000	US$ 6	0.28	US$ (1)	
	Optoplex Corporation	-	Financial assets measured at cost	55	US$ -	-	US$ -	
	Optoplex Corporation - preferred stock A	-	Financial assets measured at cost	7,956	US$ 23	0.42	US$ 2	
	Optoplex Corporation - preferred stock B	-	Financial assets measured at cost	20,602	US$ 31	0.75	US$ 5	
	Sonics, Inc. - preferred stock B	-	Financial assets measured at cost	114,359	US$ 333	14.74	US$ 2,000	
	Microfabrica, Inc. - preferred stock B	-	Financial assets measured at cost	13,091	US$ 27	0.12	US$ 28	
	Microfabrica, Inc. - preferred stock AC	-	Financial assets measured at cost	7,749	US$ 13	0.48	US$ 183	
	Flemingo International (BVI) Ltd. - preferred stock	-	Debt instruments with no active markets	934	US$ 19,980	44.73	US$ 39,586	
	Fund							
	Huaxing Capital Partners II LP	-	Financial assets measured at cost	-	US$ 5,610	-	US$ 5,727	
	GS TDN Investors Offshore, L.P.	-	Financial assets measured at cost	-	US$ 21,000	-	US$ 11,197	
	CX Partners Fund Alpha Limited	-	Financial assets measured at cost	-	US$ 7,756	-	US$ 11,208	
	Carlyle Asia Partners III, L.P.	-	Financial assets measured at cost	-	US$ 6,620	-	US$ 7,061	
	Riverwood Capital Partners L.P.	-	Financial assets measured at cost	-	US$ 6,954	-	US$ 7,161	
	ECP II (Cayman) Ltd. A	-	Financial assets measured at cost	-	US$ 6,539	-	US$ 8,722	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2017				Note
				Shares/Face Value/Units	Carrying Value (Note 2)	Percentage of Ownership	Market Value or Net Asset Value (Note 3)	
CDIB Global Markets Limited	Fund							
	Sino-Century China Private Equity II L. P.	-	Financial assets measured at cost	-	US$ 520	-	US$ 384	
	KKR Asian Fund II L.P.	-	Financial assets measured at cost	-	US$ 6,518	-	US$ 8,100	
	Carlyle Asia Partners IV, L.P.	-	Financial assets measured at cost	-	US$ 11,725	-	US$ 14,704	
	Carlyle Giovanna Partners, L.P.	-	Financial assets measured at cost	-	US$ 14,773	-	US$ 56,913	
	Tenaya Capital V, L.P.	-	Financial assets measured at cost	-	US$ 5,566	-	US$ 4,587	
	THL EQUITY FUND VI INVESTORS (CERIDIAN), L.P.	-	Financial assets measured at cost	-	US$ 3,523	-	US$ 4,520	
	Platinum Equity Capital Partners II, L.P.	-	Financial assets measured at cost	-	US$ 7,475	-	US$ 7,365	
	THL Equity Fund VI Investors (Clear Channel), L.P.	-	Financial assets measured at cost	-	US$ 12,476	-	US$ 1,248	
	Industry Ventures Fund VI, L.P.	-	Financial assets measured at cost	-	US$ 4,158	-	US$ 4,868	
	Platinum Equity Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 6,343	-	US$ 8,544	
	Tenaya Capital VI, LP	-	Financial assets measured at cost	-	US$ 6,470	-	US$ 6,453	
	Formation8 Partners Fund I, L.P.	-	Financial assets measured at cost	-	US$ 2,383	-	US$ 5,848	
	Blue Point Capital Partners III, L.P.	-	Financial assets measured at cost	-	US$ 5,101	-	US$ 5,864	
	Riverwood Capital Partners II L.P.	-	Financial assets measured at cost	-	US$ 8,123	-	US$ 7,274	
	THL Equity Fund VI Investors (Ceridian) VI, L.P.	-	Financial assets measured at cost	-	US$ 5,006	-	US$ 8,441	

Note 1: The Group recognized the related income or loss of investees as required by regulations. For decline in value that was other than temporary, investment loss was recognized.

Note 2: The amounts were net of allowance for losses.

Note 3: Market prices of listed and OTC stocks were calculated at the closing prices of June 30, 2017. The net assets values of unlisted stocks, on which the Bank recognized its investment incomes in the current year, were calculated on the basis of audited financial statements of the same period of the holding company or the net assets values of the investees, market values of emerging stocks, the cost of acquiring an investee's newly issued shares or book value of the investees. However, the net asset values of investees do not represent the value of unlisted stocks on the balance sheet date.

Note 4: The market value or net worth of preferred stock is equal to the ratio of preferred shares held to the number of preferred shares outstanding multiplied by the total market value or total net worth of all of investee's common and preferred shares.

Note 5: No securities were treated as collaterals or warrants.

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
(THE CORPORATION'S SUBSIDIARIES AMOUNTING TO NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL)
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Shares/Face Value/Units	Amount	Carrying Value	Gain (Loss) on Disposal	Shares/Face Value/Units	Amount
The Corporation	Stock													
	CDIB Venture Capital Corporation	Investment accounted for using the equity method	-	-	922,790,915	$ 8,864,695	100,000,000	$ 1,053,003 (Note 1)	-	$ -	$ -	$ -	1,022,790,915	$ 9,917,698
	China Development Asset Management Corp.	Investment accounted for using the equity method	China Development Financial Holding Corp.	Parent	200,000,000	2,396,955	-	-	200,000,000	2,321,887	2,396,955 (Note 2)	-	-	-
	Tuntex Gas Corporation	Investment accounted for using the equity method	-	-	104,066,400	50,000	-	-	104,066,400	1,063,662	50,000	1,013,662	-	-
	CDIB Capital Investment II Limited	Investment accounted for using the equity method	-	-	80,000,000	2,582,414	-	-	35,000,000	-	1,277,601 (Note 3)	-	45,000,000	1,304,813
	JHL. Biotech, Inc	Financial assets measured at cost	-	-	12,894,844	222,803	-	-	4,512,000	301,243	77,961	223,282	8,382,844	144,842
CDIB Venture Capital Corporation	Stock													
	CDIB Venture Capital (Hong Kong) Corporation Limited	Investment accounted for using the equity method	-	-	650,000,000	2,435,332	220,000,000	831,772 (Note 4)	-	-	-	-	870,000,000	3,267,104
CDIB Capital Investment I Limited	Stock													
	CDIB Capital Asia Partner Fund	Investment accounted for using the equity method	-	-	-	US$ 65,356	-	US$ 22,146 (Note 5)	-	-	-	-	-	US$ 87,502
	Chewy, Inc.	Financial assets measured at cost	-	-	12,368	US$ 11,699	-	-	12,368	US$ 28,873	US$ 11,699	US$ 17,174	-	-
CDIB Venture Capital (Hong Kong) Corporation Limited	Fund													
	CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Investment accounted for using the equity method	-	-	-	HK$ 272,045	-	HK$ 138,867 (Note 6)	-	-	-	-	-	HK$ 410,912
	CPEC Huachuang Private Equity (Kushan) Enterprise (Limited Partnership)	Investment accounted for using the equity method	-	-	-	HK$ 226,654	-	HK$ 113,183 (Note 7)	-	-	-	-	-	HK$ 339,837

Note 1: Consists of cash dividends of $131,150 thousand, $1,000,000 thousand from new issue, exchange loss on translating foreign operations of $64,373 thousand, investment gain $50,868 thousand, unrealized gain on available-for-sale financial assets of $216,472 thousand and reduction of retained earnings $18,814 thousand about adjustment of organizational structure.

Note 2: Consists of cash dividends of $76,488 thousand, investment gain $1,416 thousand, additional paid-in capital increase $4 thousand and cost of selling $2,321,887 thousand.

Note 3: Consists of reduction of the Corporation's capital of $1,058,750 thousand, investment loss $21,714 thousand, exchange loss on translating foreign operations of $153,798 thousand and unrealized loss on available-for-sale financial assets of $43,339 thousand.

Note 4: Consists of $860,420 thousand from new issue, exchange loss on translating foreign operations of $64,373 thousand and investment gain $35,725 thousand.

Note 5: Consists of US$18,210 thousand from new issue, and investment gain US$3,936 thousand.

Note 6: Consists of HK$116,586 thousand from new issue, exchange gain on translating foreign operations of HK$12,071 thousand and investment gain HK$10,210 thousand.

Note 7: Consists of HK$99,827 thousand from new issue, exchange gain on translating foreign operations of HK$9,952 thousand and investment gain HK$3,404 thousand.

Note 8: The above companies which are the subsidiaries of the Corporation were eliminated from the consolidated financial statements.

TABLE 3

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2017
(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 Corporation	Parent company	$ 339,279	-	$ -	-	$ -	$ -
CDIB Capital International Corporation	CDIB Capital Asia Partners L.P.	Associate	137,853	-	-	-	-	-

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 INVESTEES
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2017			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2017	December 31, 2016	Shares (In Thousands)	%	Carrying Amount			
The Corporation	CDIB Venture Capital Corporation	Taiwan	Venture fund	$ 8,036,942	$ 7,036,942	1,022,791	100.00	$ 9,917,698 (Note)	$ 51,592	$ 50,869	Subsidiary
	CDIB Capital Management Inc.	Taiwan	Management and consulting	-	-	33,094	100.00	609,832 (Note)	44,382	44,382	Subsidiary
	CDIB Global Markets Limited	Malaysia	Venture fund	6,063,774	6,063,774	339	100.00	6,608,061 (Note)	US$ (382)	(11,698)	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Venture fund	4,156,297	4,156,297	132,800	100.00	6,501,704 (Note)	US$ 21,790	668,030	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Venture fund	1,417,214	2,519,492	45,000	100.00	1,304,813 (Note)	US$ (708)	(21,713)	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Management company of venture fund	149,837	149,837	4,700	100.00	692,636 (Note)	US$ 4440	136,111	Subsidiary
	CDIB & Partners Investment Holding Corporation	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,641,732	315,906	90,483	Associate
	CDIB Biomedical Venture Capital Corporation	Taiwan	Venture fund	582,500	582,500	58,250	33.29	564,940	(11,610)	(3,865)	Associate
	CDIB CME Fund Ltd.	Taiwan	Venture fund	582,000	582,000	58,200	38.80	540,087	(14,340)	(5,564)	Associate
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	53,519	53,519	5,352	20.00	52,213	(3,770)	(644)	Associate
	CDIB Bioscience Venture Management (BVI), Inc.	British Virgin Islands	Management of fund	4,292	4,292	113	30.00	3,947	US$ (53)	(503)	Associate
	CDIB Capital Innovation Accelerator Ltd.	Taiwan	Venture fund	150,000	-	15,000	40.00	147,836	(5,409)	Not applicable	Associate
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	3,465,800	2,605,380	870,000	100.00	3,267,104 (Note)	HK$ 13,830	Not applicable	Subsidiary
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	172,502	-	-	31.89	168,970	(11,146)	Not applicable	Associate
CDIB Capital Management Inc.	CDIB Private Equity (Hong Kong) Corporation Limited	Hong Kong	Management and consulting	204,486	204,486	51,900	100.00	262,555 (Note)	HK$ 3,643	Not applicable	Subsidiary
	CDIB Innovation Advisors Corporation Limited	Taiwan	Management company of venture fund and consulting	12,000	12,000	1,200	60.00	13,267 (Note)	3,601	Not applicable	Subsidiary
	CDIB Biomedical Venture Capital Corporation	Taiwan	Venture fund	17,500	17,500	1,750	1.00	16,972	(11,610)	Not applicable	Associate
	CDIB CME Fund Ltd.	Taiwan	Venture fund	15,000	15,000	1,500	1.00	13,920	(14,340)	Not applicable	Associate
	CDIB Capital Growth Partners L.P	Taiwan	Venture fund	5,410	-	-	1.00	5,299	(11,146)	Not applicable	Associate
CDIB Capital Investment I Limited	Subicvest Inc.	Philippines	Leasing	US$ 90	US$ 90	200	100.00	US$ 79	PHP (62)	Not applicable	Subsidiary
	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US$ 85,428	US$ 67,218	-	-	US$ 87,502	US$ 3,936	Not applicable	Associate
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Management company of venture fund	US$ 1,982	US$ 1,982	15,400	100.00	US$ 6,359 (Note)	HK$ 1,927	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$ 5,629 (Note)	KRW (8,334)	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Management company of venture fund	US$ 2,000	US$ 2,000	8,000	100.00	US$ 1,612 (Note)	US$ 32	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Management of private equity fund	-	-	-	100.00	US$ (51) (Note)	US$ (6)	Not applicable	Subsidiary

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

TABLE 5

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2017
(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, 2017	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2017 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain	Carrying Value as of June 30, 2017	Accumulated Inward Remittance of Earnings as of June 30, 2017
					Outflow	Inflow						
CDIB Private Equity Management Corporation	Management and consulting	US$ 7,000 thousand	Note 1,b,1)	US$ 7,000 thousand	$ -	$ -	US$ 7,000 thousand	$ 13,521	100.00	$ 13,521	$ 191,945	$ -
CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	RMB 10,000 thousand	Note 1,b,1)	RMB 7,000 thousand	-	-	RMB 7,000 thousand	11,732	70.00	8,212	78,040	-
CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	RMB 12,000 thousand	Note 1,b,1)	RMB 6,720 thousand	-	-	RMB 6,720 thousand	1,071	70.00	750	39,408	-
CPEC Huachuang Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment	RMB 1,000,000 thousand	Note 1,b,1),2)	RMB 247,100 thousand	RMB 102,900 thousand	-	RMB 350,000 thousand	117,390	-	41,087	1,648,862	-
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	RMB 7,000 thousand	Note 1,b,1)	RMB 4,550 thousand	-	-	RMB 4,550 thousand	7,891	65.00	5,129	35,650	-
CPEC Huachuang Private Equity Management (Kushan) Enterprise (Limited Partnership)	Management and consulting	RMB 12,000 thousand	Note 1,b,1)	RMB 3,250 thousand	-	-	RMB 3,250 thousand	512	65.00	333	34,746	-
CPEC Huachuang Private Equity (Kushan) Enterprise (Limited Partnership)	Equity investment	RMB 1,000,000 thousand	Note 1,b,1),2)	RMB 212,450 thousand	RMB 87,550 thousand	-	RMB 300,000 thousand	45,736	-	13,721	1,355,254	-

Accumulated Investment in Mainland China as of June 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
$5,998,216	US$279,232 thousand	$45,339,701

Note 1: The investment types are as follows:

a. Direct investments.

b. Reinvested through a third place by:

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

c. Other.

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

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

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2017

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2017	December 31, 2016	June 30, 2016	
The Corporation	CDIB Capital Management Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	China Development Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	-	100.00	100.00	
	CDIB Global Markets Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital Investment I Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Venture fund	100.00	100.00	100.00	
	CDIB Capital International Corporation	Management company of venture fund	100.00	100.00	100.00	
China Development Asset Management Corp.	Development Industrial Bank Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	-	100.00	100.00	(Note 1)
	Chung Hwa Growth 3 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	-	100.00	100.00	(Note 1)
	Chung Hwa Growth 4 Asset Management Corp.	Trading and management of nonperforming loans of financial institutions	-	100.00	100.00	(Note 1)
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital International (Korea) Corporation	Management company of venture fund	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Management of private equity fund	100.00	100.00	100.00	(Note 2)
CDIB Venture Capital Corporation	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
CDIB Venture Capital (Hong Kong) Corporation Limited	CDIB Private Equity Management Corporation	Management and consulting	-	-	100.00	
	CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	-	70.00	70.00	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	-	-	56.00	
CPEC Huakai Private Equity (Fujian) Co., Ltd.	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	20.00	20.00	20.00	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Innovative Advisors Corporation Limited	Management and consulting	60.00	60.00	60.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2017	December 31, 2016	June 30, 2016	
CDIB Private Equity (Hong Kong) Corporation Limited	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	4.33	4.33	4.53	
	CDIB Private Equity Management Corporation	Management and consulting	100.00	100.00	-	
	CPEC Huachuang Private Equity Management (Fujian) Enterprise (Limited Partnership)	Management and consulting	56.00	56.00	-	
	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	-	-	65.00	
CDIB Private Equity Management Corporation	CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	Management and consulting	65.00	65.00	-	
	CPEC Huakai Private Equity (Fujian) Co., Ltd.	Management and consulting	70.00	-	-	
CPEC Huachuang Private Equity (Kunshan) Co, Ltd.	CPEC Huachuang Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Management and consulting	93.34	93.34	93.02	

Note 1: The Corporation has already disposed of China Development Asset Management Corp. on March 2017, since the disposal date, China Development Asset Management Corp. and it’s Subsidiaries were not included in the consolidated financial statement.

Note 2: CDIB Capital Asia Partners Limited conducted registration of establishment on March 21, 2014, however, CDIB Capital International Corporation had not invested any capital as of June 30, 2017.

Unconsolidated subsidiaries

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

(Concluded)