

CDIB Capital Group and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2022 and 2021 and
Independent Auditors' Report**

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholder
CDIB Capital Group

Opinion

We have audited the accompanying consolidated financial statements of CDIB Capital Group (the "Corporation") and its subsidiaries, which comprise the consolidated balance sheets as of June 30, 2022, December 31, 2021 and June 30, 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2022 and 2021, 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 the Corporation and its subsidiaries as of June 30, 2022, December 31, 2021 and June 30, 2021, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2022 and 2021, 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 (FSC) of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Corporation and its 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, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter for the Corporation and its subsidiaries' consolidated financial statements for the six months ended June 30, 2022 is stated as follows:

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

Management uses valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in valuation model are unobservable inputs. For the fact that the inputs involve material managerial estimation and judgement, we identified the valuation as a key audit matter for the six months ended June 30, 2022.

Refer to Notes 4, 5 and 29 for the relevant accounting policies, critical accounting judgments, estimation uncertainty, and disclosures of fair value measurement of financial instruments with no quoted market prices in an active market.

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

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, guidelines issued by authority and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the FSC of the ROC, 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 its 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 its 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 its subsidiaries' financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation and its 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 its 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 its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Corporation and its 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, 2022 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 audits resulting in this independent auditors' report are Yi-Chun Wu and Jr-Shian Ke.

Deloitte & Touche
Taipei, Taiwan
Republic of China

August 12, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial 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)

ASSETS	June 30, 2022		December 31, 2021		June 30, 2021	
	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6, 27 and 29)	\$ 4,517,910	12	\$ 8,137,269	19	\$ 7,847,097	19
Other receivables (Notes 7, 27 and 29)	318,617	1	2,593,234	6	488,035	1
Current tax assets (Notes 25 and 27)	225,965	1	222,759	1	245,463	1
Other current assets	49,101	-	46,718	-	63,528	-
Total current assets	5,111,593	14	10,999,980	26	8,644,123	21
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10, 27 and 29)	18,066,548	51	17,084,385	41	18,169,630	44
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 29)	-	-	100,160	-	107,788	-
Financial assets at amortized cost - non-current (Notes 4 and 29)	1,216,143	3	891,608	2	674,560	2
Investments accounted for using the equity method (Notes 9 and 10)	8,522,796	24	10,141,444	24	10,185,207	24
Property and equipment (Note 11)	309,865	1	301,694	1	483,284	1
Right-of-use assets (Notes 12 and 27)	795,571	2	779,759	2	807,915	2
Investment properties (Note 13)	264,506	1	266,484	1	1,093,457	3
Other non-current assets (Notes 14, 25 and 27)	1,479,786	4	1,452,496	3	1,437,805	3
Total non-current assets	30,655,215	86	31,018,030	74	32,959,646	79
TOTAL	\$ 35,766,808	100	\$ 42,018,010	100	\$ 41,603,769	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 15 and 29)	\$ 4,711,630	13	\$ 497,833	1	\$ 100,000	-
Other payables (Notes 16, 27 and 29)	1,460,848	4	2,830,113	7	902,026	2
Current tax liabilities (Notes 25 and 27)	681,489	2	772,004	2	672,579	2
Lease liabilities - current (Notes 12 and 27)	83,872	-	72,753	-	73,040	-
Other current liabilities (Note 27)	167,256	1	107,059	-	198,401	1
Total current liabilities	7,105,095	20	4,279,762	10	1,946,046	5
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 8, 27 and 29)	-	-	11,417	-	36,431	-
Provisions - non-current (Notes 17 and 18)	113,945	-	115,452	-	140,286	-
Deferred tax liabilities (Note 25)	189,404	1	217,102	1	378,936	1
Lease liabilities - non-current (Notes 12 and 27)	758,497	2	750,373	2	762,864	2
Other non-current liabilities (Notes 19, 27 and 29)	1,384,564	4	1,356,108	3	1,358,861	3
Total non-current liabilities	2,446,410	7	2,450,452	6	2,677,378	6
Total liabilities	9,551,505	27	6,730,214	16	4,623,424	11
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 20)						
Capital	20,411,159	57	20,411,159	49	20,411,159	49
Capital surplus	616,737	2	593,947	1	590,409	2
Retained earnings						
Legal reserve	6,212,141	17	5,182,562	12	14,182,562	34
Special reserve	512,146	1	23,635	-	395,150	1
Unappropriated earnings (accumulated deficit)	(800,550)	(2)	10,295,793	25	2,647,644	6
Other equity	(838,289)	(2)	(1,322,142)	(3)	(1,331,235)	(3)
Total equity attributable to owners of the parent	26,113,344	73	35,184,954	84	36,895,689	89
NON-CONTROLLING INTERESTS	101,959	-	102,842	-	84,656	-
Total equity	26,215,303	73	35,287,796	84	36,980,345	89
TOTAL	\$ 35,766,808	100	\$ 42,018,010	100	\$ 41,603,769	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 (Loss) Per Share)

	For the Six Months Ended June 30			
	2022		2021	
	Amount	%	Amount	%
OPERATING REVENUE				
Share of profit or loss of associates and joint ventures	\$ (720,978)	(71)	\$ 251,270	9
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss (Note 21)	(595,448)	(59)	2,398,118	82
Consulting service revenue (Note 27)	<u>303,659</u>	<u>30</u>	<u>256,809</u>	<u>9</u>
Total operating revenue	<u>(1,012,767)</u>	<u>(100)</u>	<u>2,906,197</u>	<u>100</u>
OPERATING COSTS				
Expected credit loss	<u>76,254</u>	<u>7</u>	<u>21,970</u>	<u>1</u>
GROSS PROFIT (LOSS)	<u>(1,089,021)</u>	<u>(107)</u>	<u>2,884,227</u>	<u>99</u>
OPERATING EXPENSES (Notes 18, 22, 23 and 27)	<u>595,740</u>	<u>59</u>	<u>1,718,541</u>	<u>59</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(1,684,761)</u>	<u>(166)</u>	<u>1,165,686</u>	<u>40</u>
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange loss, net	(85,401)	(8)	(35,771)	(1)
Interest income (Note 27)	128,589	13	87,092	3
Interest expense (Note 27)	(16,146)	(2)	(3,585)	-
Other gains and losses (Notes 24 and 27)	<u>11,925</u>	<u>1</u>	<u>1,609,435</u>	<u>55</u>
Total non-operating income and expenses	<u>38,967</u>	<u>4</u>	<u>1,657,171</u>	<u>57</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(1,645,794)	(162)	2,822,857	97
INCOME TAX BENEFIT (EXPENSE) (Note 25)	<u>71,949</u>	<u>7</u>	<u>(179,974)</u>	<u>(6)</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>(1,573,845)</u>	<u>(155)</u>	<u>2,642,883</u>	<u>91</u>

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30			
	2022		2021	
	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss, net of income tax				
Share of the other comprehensive income (loss) of associates and joint ventures	\$ (1,034,573)	(102)	\$ 3,151	-
Items that will be reclassified subsequently to profit or loss, net of income tax				
Exchange differences on translation of financial statements of foreign operations	1,160,001	114	(411,649)	(14)
Gain (loss) on debt instruments measured at fair value through other comprehensive income	(160)	-	(594)	-
Share of the other comprehensive income (loss) of associates and joint ventures	<u>360,601</u>	<u>36</u>	<u>(113,414)</u>	<u>(4)</u>
Other comprehensive income (loss) for the period, net of income tax	<u>485,869</u>	<u>48</u>	<u>(522,506)</u>	<u>(18)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ (1,087,976)</u>	<u>(107)</u>	<u>\$ 2,120,377</u>	<u>73</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	\$ (1,578,253)	(156)	\$ 2,647,644	91
Non-controlling interests	<u>4,408</u>	<u>1</u>	<u>(4,761)</u>	<u>-</u>
	<u>\$ (1,573,845)</u>	<u>(155)</u>	<u>\$ 2,642,883</u>	<u>91</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	\$ (1,094,400)	(108)	\$ 2,126,404	73
Non-controlling interests	<u>6,424</u>	<u>1</u>	<u>(6,027)</u>	<u>-</u>
	<u>\$ (1,087,976)</u>	<u>(107)</u>	<u>\$ 2,120,377</u>	<u>73</u>
EARNINGS (LOSS) PER SHARE (Note 26)				
Basic	<u>\$(0.77)</u>		<u>\$1.30</u>	

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

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(In Thousands of New Taiwan Dollars)

	Equity Attributable to Owners of Parent					Other Equity		Total	Non-controlling Interests	Total Equity
	Capital	Capital Surplus	Legal Reserve	Retained Earnings		Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income			
				Special Reserve	Unappropriated Earnings (Accumulated Deficit)					
BALANCE AT JANUARY 1, 2021	\$ 20,411,159	\$ 590,409	\$ 15,247,990	\$ 395,150	\$ (1,065,428)	\$ (2,708,634)	\$ 1,898,639	\$ 34,769,285	\$ 92,082	\$ 34,861,367
Legal reserve appropriated surplus used to cover accumulated deficits	-	-	(1,065,428)	-	1,065,428	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2021	-	-	-	-	2,647,644	-	-	2,647,644	(4,761)	2,642,883
Other comprehensive income (loss) for the six months ended June 30, 2021, net income tax	-	-	-	-	-	(523,797)	2,557	(521,240)	(1,266)	(522,506)
Total comprehensive income (loss) for the six months ended June 30, 2021	-	-	-	-	2,647,644	(523,797)	2,557	2,126,404	(6,027)	2,120,377
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(1,399)	(1,399)
BALANCE AT JUNE 30, 2021	\$ 20,411,159	\$ 590,409	\$ 14,182,562	\$ 395,150	\$ 2,647,644	\$ (3,232,431)	\$ 1,901,196	\$ 36,895,689	\$ 84,656	\$ 36,980,345
BALANCE AT JANUARY 1, 2022	\$ 20,411,159	\$ 593,947	\$ 5,182,562	\$ 23,635	\$ 10,295,793	\$ (3,328,560)	\$ 2,006,418	\$ 35,184,954	\$ 102,842	\$ 35,287,796
Appropriation of the 2021 earnings										
Legal reserve	-	-	1,029,579	-	(1,029,579)	-	-	-	-	-
Special reserve	-	-	-	488,511	(488,511)	-	-	-	-	-
Cash dividends - NT\$3.92 per share	-	-	-	-	(8,000,000)	-	-	(8,000,000)	-	(8,000,000)
	-	-	1,029,579	488,511	(9,518,090)	-	-	(8,000,000)	-	(8,000,000)
Net profit (loss) for the six months ended June 30, 2022	-	-	-	-	(1,578,253)	-	-	(1,578,253)	4,408	(1,573,845)
Other comprehensive income (loss) for the six months ended June 30, 2022, net income tax	-	-	-	-	-	1,518,586	(1,034,733)	483,853	2,016	485,869
Total comprehensive income (loss) for the six months ended June 30, 2022	-	-	-	-	(1,578,253)	1,518,586	(1,034,733)	(1,094,400)	6,424	(1,087,976)
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	9,100	-	-	-	-	-	9,100	-	9,100
Share-based payment	-	13,690	-	-	-	-	-	13,690	-	13,690
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(7,307)	(7,307)
BALANCE AT JUNE 30, 2022	\$ 20,411,159	\$ 616,737	\$ 6,212,141	\$ 512,146	\$ (800,550)	\$ (1,809,974)	\$ 971,685	\$ 26,113,344	\$ 101,959	\$ 26,215,303

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	
	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) before income tax	\$ (1,645,794)	\$ 2,822,857
Adjustments for reconciliation of net profit (loss)		
Depreciation expense	59,898	68,426
Amortization expense	801	1,044
Expected credit loss	76,254	21,970
Net loss (gain) on financial assets at fair value through profit or loss	673,441	(1,956,849)
Interest expense	16,146	3,585
Interest income	(128,589)	(87,092)
Dividends income	(73,985)	(440,519)
Share-based payment	22,790	-
Share of profit or loss of associates and joint ventures	721,569	(250,640)
Others	-	358
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	567,438	601,438
Other receivables	2,580,639	(32,914)
Other current assets	(8,945)	(23,197)
Other operating assets	37,777	(91,131)
Other payables	(1,442,022)	(31,387)
Other current liabilities	61,607	87,143
Other operating liabilities	<u>5,292</u>	<u>(196,851)</u>
Cash generated from operations	1,524,317	496,241
Interest received	118,428	90,669
Dividends received	55,462	471,586
Interest paid	(15,051)	(14,139)
Income tax paid	<u>(45,978)</u>	<u>(1,776)</u>
Net cash generated from operating activities	<u>1,637,178</u>	<u>1,042,581</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of financial assets at fair value through other comprehensive income	100,000	-
Acquisition of financial assets at amortized cost	(372,230)	(140,910)
Acquisition of financial assets designated as at fair value through profit or loss	(1,580,772)	(1,013,697)
Acquisition of investments accounted for using the equity method	(21,317)	-
Proceeds from capital reduction of investments accounted for using the equity method	245,721	287,750
Acquisition of property and equipment	(16,210)	(32,411)
Others	<u>(1,699)</u>	<u>6,733</u>
Net cash used in investing activities	<u>(1,646,507)</u>	<u>(892,535)</u>

(Continued)

CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended	
	June 30	
	2022	2021
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	\$ 4,213,797	\$ 100,000
Repayment of the principal portion of lease liabilities	(46,486)	(25,333)
Cash dividends paid	<u>(8,006,643)</u>	<u>(1,500,000)</u>
Net cash used in financing activities	<u>(3,839,332)</u>	<u>(1,425,333)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>229,302</u>	<u>(113,877)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,619,359)	(1,389,164)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>8,137,269</u>	<u>9,236,261</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 4,517,910</u>	<u>\$ 7,847,097</u>

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

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

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

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

On January 19, 2017, under the approval of the board of directors who had been authorized to exercise the rights on behalf of the shareholder’s meeting, China Development Industrial Bank was converted and the name became CDIB Capital Group. The date of conversion was March 15, 2017, and the Corporation will continue to expand its assets management business. The Financial Supervisory Commission (“FSC”) issued an approval letter, Official Letter No. 10600025880 dated March 10, 2017, for the aforementioned conversion.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and were authorized for issue on August 12, 2022.

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

- a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the “IFRSs”) endorsed and issued into effect by the FSC.

The related amendments to the IFRSs endorsed and issued into effect by the FSC did not have a material impact on the Corporation and its subsidiaries’ accounting policies.

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2023

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

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

The amendments stipulate that, when the Corporation and its subsidiaries sell or contribute assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Corporation and its subsidiaries lose control of a subsidiary that contain a business but retain significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Corporation and its subsidiaries sell or contribute assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation and its subsidiaries' interest as an unrelated investor in the associate or joint venture, i.e., the Corporation and its subsidiaries' share of the gain or loss is eliminated. Also, when the Corporation and its subsidiaries lose control of a subsidiary that do not contain a business but retain significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Corporation and its subsidiaries' interest as an unrelated investor in the associate or joint venture, i.e., the Corporation and its subsidiaries' share of the gain or loss is eliminated.

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

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

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

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

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

Principles for Preparing Consolidation Financial Statements

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

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

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

As of June 30, 2022, December 31, 2021 and June 30, 2021, the consolidated entities included in the consolidated financial statements included 26, 26 and 23 companies, respectively (please refer to the attached Table 7 for details).

Financial Instruments

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

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

Financial assets and liabilities

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

a. Measurement categories

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

1) Financial assets at FVTPL

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

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends earned and remeasurement gains or losses on such financial assets are recognized in operating revenue. Fair value is determined in the manner described in Note 29.

2) Financial assets at amortized cost

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

- a) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition, the amortized cost of financial assets had been determined by the total carrying amount calculated using the effective interest method minus impairment losses measured at amortized cost. Exchange differences are recognized in profit or loss.

Interest revenue is calculated by multiplying effective interest rate by the total carrying amount of financial assets, except for the ones that subsequently became credit loss financial assets, which are calculated by multiplying effective interest rate by amortized cost of financial assets.

A financial asset is credit impaired when one or more of the following events have occurred:

- a) Significant financial difficulty of the issuer or the borrower;
- b) Breach of contract, such as a default;
- c) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or
- d) The disappearance of an active market for that financial asset because of financial difficulties.

3) Investments in debt instruments at FVTOCI

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

- a) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and
- b) The contractual terms of the debt instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

b. Impairment of financial assets

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

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

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

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

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

c. Derecognition of financial assets

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

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

Equity instruments

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

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

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

Derivative financial instruments

The derivative instruments signed by the Corporation and its subsidiaries are cross-currency swap contracts, which are used to manage the Corporation and its subsidiaries' interest and risks of exchange rate.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Except for the following, please refer to summary of significant accounting policies in the consolidated financial statements for the year ended December 31, 2021.

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 its 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 Corporation and its subsidiaries consider the recent development of the COVID-19 pandemic in Taiwan and its economic environment implications when making its critical accounting estimates in cash flow projections, growth rate, discount rate, profitability, etc. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

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

Management uses valuation model or refers to the available quotations from other financial institutions in determining the fair value of financial products with no quoted market prices in an active market and takes the economic influence of COVID-19 in the evaluation into consideration. Parameters used in valuation model are unobservable inputs, which involve material managerial estimation and judgment.

6. CASH AND CASH EQUIVALENTS

	June 30, 2022	December 31, 2021	June 30, 2021
Cash on hand	\$ 19	\$ 18	\$ 18
Checking accounts and demand deposits	1,327,090	1,158,449	1,000,969
Cash equivalents			
Time deposits	<u>3,190,801</u>	<u>6,978,802</u>	<u>6,846,110</u>
	<u>\$ 4,517,910</u>	<u>\$ 8,137,269</u>	<u>\$ 7,847,097</u>

7. OTHER RECEIVABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Receivables from securities sold	\$ 235,114	\$ 2,581,848	\$ 207,058
Accrued income	221,646	139,864	137,765
Interest receivable	151,093	140,932	140,753
Others	<u>39,480</u>	<u>38,060</u>	<u>34,482</u>
	647,333	2,900,704	520,058
Less: Allowance for other receivables	<u>(328,716)</u>	<u>(307,470)</u>	<u>(32,023)</u>
	<u>\$ 318,617</u>	<u>\$2,593,234</u>	<u>\$ 488,035</u>

On the balance sheet date, the Corporation and its subsidiaries have recognized appropriate allowances for losses based on the assessment of the economic environment and the possibility for collecting receivables.

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

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
<u>Financial assets mandatorily classified as at FVTPL</u>			
Non-derivative financial instrument			
Stocks	\$ 7,917,677	\$ 8,947,027	\$ 8,620,887
Partnership funds	2,777,433	2,556,789	5,097,097
Others	<u>894,735</u>	<u>840,057</u>	<u>1,453,029</u>
	<u>11,589,845</u>	<u>12,343,873</u>	<u>15,171,013</u>
Non-designated hedge derivatives			
Cross-currency swap contracts	<u>38,153</u>	<u>-</u>	<u>-</u>
<u>Financial assets designated as at FVTPL</u>			
Associates	3,196,386	2,932,757	2,998,617
Joint ventures	<u>3,242,164</u>	<u>1,807,755</u>	<u>-</u>
	<u>6,438,550</u>	<u>4,740,512</u>	<u>2,998,617</u>
Financial assets at FVTPL	<u>\$ 18,066,548</u>	<u>\$ 17,084,385</u>	<u>\$ 18,169,630</u>
<u>Financial liabilities</u>			
<u>Financial liabilities held for trading</u>			
Non-designated hedge derivatives			
Cross-currency swap contracts	<u>\$ -</u>	<u>\$ 11,417</u>	<u>\$ 36,431</u>

As of balance sheet date, cross-currency swap contracts which are not designated as hedging instruments also not matured were as follows:

June 30, 2022

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD13,909	May 26, 2023	1,112 (USD/KRW)	8.90%	Floating rate
USD6,243	May 26, 2025	1,168.95 (USD/KRW)	12.35%	Floating rate
USD1,000	May 26, 2025	1,166.50 (USD/KRW)	12.35%	12.10%

December 31, 2021

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD5,864	May 26, 2022	1,199 (USD/KRW)	8.90%	8.70%
USD13,993	May 26, 2023	1,112 (USD/KRW)	8.90%	Floating rate
USD1,667	May 26, 2025	1,168.95 (USD/KRW)	12.35%	Floating rate
USD1,000	May 26, 2025	1,166.50 (USD/KRW)	12.35%	12.10%

June 30, 2021

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD12,900	May 26, 2022	1,199 (USD/KRW)	8.90%	8.70%
USD6,322	May 26, 2023	1,112 (USD/KRW)	8.90%	8.70%

The main objective of the cross-currency transactions made by the Corporation and its subsidiaries, is to hedge the risks which generated by foreign currency assets and liabilities due to the fluctuation of exchange rate and interest rate.

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates that are not individually material

	June 30, 2022	December 31, 2021	June 30, 2021
Unlisted companies			
CDIB & Partners Investment Holding Corp.	\$ 3,699,000	\$ 5,176,961	\$ 5,055,451
CDIB Capital Asia Partners L.P.	2,185,310	2,128,572	2,253,629
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,119,433	1,152,431	1,123,561
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	760,104	755,448	767,356
CDIB Capital Health Ventures Limited	470,702	534,530	484,912
CDIB Capital Creative Industries Limited	239,116	323,363	381,669
Others	<u>49,131</u>	<u>70,139</u>	<u>118,629</u>
	<u>\$ 8,522,796</u>	<u>\$ 10,141,444</u>	<u>\$ 10,185,207</u>

As of June 30, 2022, December 31, 2021 and June 30, 2021, associates and joint ventures that are not individually material listed on financial assets designated as at FVTPL were \$6,438,550 thousand, \$4,740,512 thousand and \$2,998,617 thousand, respectively.

Investments accounted for using the equity method and the Corporation and its subsidiaries' share of earnings and other comprehensive income of CDIB & Partners Investment Holding Corporation is calculated based on audited financial statements; those of other affiliates are calculated based on unaudited financial statements. Management believed that there would have been no significant effect on the consolidated financial statements through the financial statements of these investees had not been audited.

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

10. INVOLVEMENT WITH UNCONSOLIDATED STRUCTURED ENTITIES

a. Partnership funds investment

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

	June 30, 2022	December 31, 2021	June 30, 2021
Partnership funds investment			
Financial assets at FVTPL	\$ 2,777,433	\$ 2,556,789	\$ 5,097,097
Maximum exposure	2,777,433	2,556,789	5,097,097

b. Partnership funds management

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

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

	June 30, 2022	December 31, 2021	June 30, 2021
Partnership funds management			
Total assets	\$ 26,358,663	\$ 24,689,027	\$ 22,612,529
Total liabilities	117,410	39,659	95,813
Investments accounted for using the equity method	4,064,847	4,036,451	4,144,546
Financial assets designated as at FVTPL	3,296,774	2,766,746	1,876,301
Maximum exposure	7,361,621	6,803,197	6,020,847

11. PROPERTY AND EQUIPMENT

	June 30, 2022	December 31, 2021	June 30, 2021
Land	\$ 92,054	\$ 92,054	\$ 301,335
Buildings and facilities	83,916	86,226	138,829
Leasehold improvements	79,746	12,148	2,091
Computer equipment	16,058	17,789	7,582
Other equipment	<u>21,672</u>	<u>19,686</u>	<u>2,202</u>
	293,446	227,903	452,039
Prepayments for acquisition of properties	<u>16,419</u>	<u>73,791</u>	<u>31,245</u>
	<u>\$ 309,865</u>	<u>\$ 301,694</u>	<u>\$ 483,284</u>

Except for depreciation recognized, the Corporation and its subsidiaries had no significant addition, disposal and impairment of property and equipment during the six month ended June 30, 2022 and 2021.

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

Buildings and facilities	
Main building and parking spaces	50 years
Lifting equipment	15 years
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Computer equipment	4-8 years
Transportation equipment	5 years
Other equipment	
Office furniture and equipment	5-8 years
Others	5 years
Leasehold improvements	Lower of leasehold lives or useful lives

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

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount			
Buildings and facilities	\$ 790,011	\$ 773,499	\$ 801,931
Transportation equipment	3,822	4,220	5,328
Computer equipment	<u>1,738</u>	<u>2,040</u>	<u>656</u>
	<u>\$ 795,571</u>	<u>\$ 779,759</u>	<u>\$ 807,915</u>
		For the Six Months Ended June 30	
		2022	2021
Additions to right-of-use assets		<u>\$ 63,342</u>	<u>\$ 796,784</u>
Depreciation of right-of-use assets			
Buildings and facilities		\$ 44,790	\$ 49,196
Transportation equipment		1,236	1,025
Computer equipment		<u>3,606</u>	<u>334</u>
		<u>\$ 49,632</u>	<u>\$ 50,555</u>

b. Lease liabilities

	June 30, 2022	December 31, 2021	June 30, 2021
Carrying amount			
Current	<u>\$ 83,872</u>	<u>\$ 72,753</u>	<u>\$ 73,040</u>
Non-current	<u>\$ 758,497</u>	<u>\$ 750,373</u>	<u>\$ 762,864</u>
		For the Six Months Ended June 30	
		2022	2021
Interest expense		<u>\$ 3,660</u>	<u>\$ 243</u>

Range of discount rate for lease liabilities were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Buildings and facilities	0.57%-1.01%	0.57%-1.01%	0.71%-1.01%
Computer equipment	0.61%-1.07%	0.61%-1.07%	0.82%-1.07%
Transportation equipment	0.61%-0.73%	0.61%-0.73%	0.61%-0.73%

The maturity analysis of lease liabilities were as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Not later than 1 year	\$ 85,774	\$ 73,009	\$ 80,138
Later than 1 year and not later than 5 years	272,730	241,389	222,098
Later than 5 years	<u>520,648</u>	<u>551,794</u>	<u>590,450</u>
	<u>\$ 879,152</u>	<u>\$ 866,192</u>	<u>\$ 892,686</u>

c. Material lease-in activities and terms

The Corporation and its subsidiaries lease buildings and facilities, computer equipment and transportation equipment with lease terms of 1 to 15 years. The Corporation and its subsidiaries leased houses and buildings for office use in June 2021, and the lease period is 15 years. At the end of the lease period, the Corporation and its subsidiaries do not have bargain purchase option to acquire the buildings and facilities.

d. Other lease information

For lease arrangements under operating leases for the leasing out of investment properties for the Corporation and its subsidiaries, refer to Note 13.

	For the Six Months Ended June 30	
	2022	2021
Expenses relating to short-term leases	<u>\$ 4,530</u>	<u>\$ 4,338</u>
Total cash outflow for leases	<u>\$ 54,854</u>	<u>\$ 30,059</u>

The Corporation and its subsidiaries' leases of certain assets qualify as short-term leases or low-value asset leases. The Corporation and its subsidiaries have elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. INVESTMENT PROPERTIES

	June 30, 2022	December 31, 2021	June 30, 2021
Land	\$ 152,270	\$ 152,270	\$ 830,393
Buildings and facilities	<u>112,236</u>	<u>114,214</u>	<u>263,064</u>
	<u>\$ 264,506</u>	<u>\$ 266,484</u>	<u>\$ 1,093,457</u>

Except for depreciation recognized, the Corporation and its subsidiaries had no significant addition, disposal and impairment of investment property during the six months ended June 30, 2022 and 2021.

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

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

The fair values of the Corporation and its subsidiaries' investment properties as of June 30, 2022, December 31, 2021 and June 30, 2021 were \$502,437 thousand, \$502,437 thousand and \$6,557,504 thousand, respectively.

Except for the fair value of investment properties as of December 31, 2021, which was based on valuation by unrelated external property appraisers, the fair values of investment properties were based on an external valuation report as of the year 2021, 2020 and 2017. After evaluating, the Corporation and its subsidiaries determined that the fair values reported as at June 30, 2022, and June 30, 2021 were still valid, and the fair values of the investment properties were measured at Level 3 inputs. Sales comparison approach and income approach were used in the valuation report as of 2021, 2020 and 2017. The sales comparison approach is based on the transaction and proposed prices of comparable properties which have been recently sold, while in the income approach, fair value is calculated by taking the net operating income of the rent collected and dividing it by the capitalization rate.

The Corporation completed the open bidding of its building on January 12, 2021. The Corporation's building is located at No. 125 and No. 127, Section 5, Nanjing East Road, Songshan District, Taipei City. Shin Kong Life Insurance Co., Ltd. (SKLI) has been awarded the bid for NT\$9.288 billion. The corporation completed the official title transfer procedure and recognized disposal gain \$8,374,029 thousand on September 2021

To meet the needs of assets activation and achieve the purpose of group operation efficiency and resource integration. By referring to the public information registered at the same location and obtaining the external valuation report, the Corporation sold property located in Nangang Dist., Taipei City for \$410,000 thousand to KGI Bank and leaseback partial for 3 years and recognized a gain of \$232,347 thousand. The lease contract does not include an extension right or a purchase option. Annual lease payments is \$210 thousand.

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

The maturity analysis of lease payments receivable under operating leases of investment properties as of June 30, 2022, December 31, 2021 and June 30, 2021 is as follows:

	June 30, 2022	December 31, 2021	June 30, 2021
Year 1	\$ 13,571	\$ 16,151	\$ 44,231
Year 2	4,319	8,624	23,337
Year 3	3,240	3,240	13,374
Year 4	3,240	3,240	8,192
Year 5	1,080	2,700	3,240
Year 5 onwards	<u>-</u>	<u>-</u>	<u>1,080</u>
	<u>\$ 25,450</u>	<u>\$ 33,955</u>	<u>\$ 93,454</u>

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

	Estimated Useful Lives
Buildings and facilities	5-50 years

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

14. OTHER NON-CURRENT ASSETS

	June 30, 2022	December 31, 2021	June 30, 2021
Restricted assets	\$ 1,405,758	\$ 1,368,060	\$ 1,350,221
Guarantee deposits paid	49,225	50,255	56,769
Computer software	5,945	5,846	7,093
Others	<u>18,858</u>	<u>28,335</u>	<u>23,722</u>
	<u>\$ 1,479,786</u>	<u>\$ 1,452,496</u>	<u>\$ 1,437,805</u>

The restricted assets on June 30, 2022, December 31, 2021 and June 30, 2021 were \$1,374,658 thousand (approximately RMB309,629 thousand), \$1,336,960 thousand (approximately RMB307,609 thousand) and \$1,319,121 thousand (approximately RMB305,997 thousand) are the investment funds collected on behalf of CCAP Tutwo Holdings (Hong Kong) Limited by CDIB's subsidiary.

15. SHORT-TERM BORROWINGS

	June 30, 2022	December 31, 2021	June 30, 2021
Short-term credit borrowings	<u>\$ 4,711,630</u>	<u>\$ 497,833</u>	<u>\$ 100,000</u>
Range of rate	1.08%-3.02%	0.98%-1.50%	1.00%-1.06%
Last maturity date	December 2022	December 2022	September 2021

16. OTHER PAYABLES

	June 30, 2022	December 31, 2021	June 30, 2021
Accrued expenses	\$ 1,427,334	\$ 2,078,174	\$ 859,929
Others	<u>33,514</u>	<u>751,939</u>	<u>42,097</u>
	<u>\$ 1,460,848</u>	<u>\$ 2,830,113</u>	<u>\$ 902,026</u>

17. PROVISIONS - NON-CURRENT

	June 30, 2022	December 31, 2021	June 30, 2021
Provisions for employee benefits	\$ 110,873	\$ 112,437	\$ 137,293
Others	<u>3,072</u>	<u>3,015</u>	<u>2,993</u>
	<u>\$ 113,945</u>	<u>\$ 115,452</u>	<u>\$ 140,286</u>

18. RETIREMENT BENEFIT PLANS

The Corporation and its subsidiaries' retirement plans consist of defined contribution and defined benefit plans. For defined benefit plan, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2021 and 2020, respectively.

For the six months ended June 30, 2022 and 2021, the Corporation and its subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of \$1,677 thousand and \$4,040 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) \$4,800 thousand and \$5,373 thousand, respectively.

19. OTHER NON-CURRENT LIABILITIES

	June 30, 2022	December 31, 2021	June 30, 2021
Collection payable	\$ 1,374,658	\$ 1,336,960	\$ 1,319,121
Guarantee deposits received	7,189	9,750	39,740
Others	<u>2,717</u>	<u>9,398</u>	<u>-</u>
	<u>\$ 1,384,564</u>	<u>\$ 1,356,108</u>	<u>\$ 1,358,861</u>

Collection payable on June 30, 2022, December 31, 2021 and June 30, 2021 were \$1,374,658 thousand (approximately RMB309,629 thousand), \$1,336,960 thousand (approximately RMB307,609 thousand) and \$1,319,121 thousand (approximately RMB305,997 thousand) are the investment funds collected on behalf of CCAP Tutwo Holdings (Hong Kong) Limited by CDIB's subsidiary.

20. EQUITY

a. Capital

Common stock

	June 30, 2022	December 31, 2021	June 30, 2021
Number of shares authorized (in thousands)	<u>9,266,851</u>	<u>9,266,851</u>	<u>9,266,851</u>
Shares authorized	<u>\$ 92,668,510</u>	<u>\$ 92,668,510</u>	<u>\$ 92,668,510</u>
Number of shares issued and fully paid (in thousands)	<u>2,041,116</u>	<u>2,041,116</u>	<u>2,041,116</u>
Shares issued	<u>\$ 20,411,159</u>	<u>\$ 20,411,159</u>	<u>\$ 20,411,159</u>

b. Capital surplus

	June 30, 2022	December 31, 2021	June 30, 2021
Arising from issuance of common shares	\$ 477,409	\$ 477,409	\$ 477,409
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845	98,845
Arising from share of changes in capital surplus of associates and joint ventures	13,222	4,122	2,866
Share-based payments awards	27,241	13,551	11,269
Arising from donations	<u>20</u>	<u>20</u>	<u>20</u>
	<u>\$ 616,737</u>	<u>\$ 593,947</u>	<u>\$ 590,409</u>

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 to once a year.

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

c. Special reserve

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

When distributing of surplus of 2020 and 2019, the Corporation recognized or reversed special revenue, under No. 1090150022 and No. 1010012865 issued by the FSC, and the Questions and Answers on Special Reserves Appropriated Following Adoption of IFRSs, respectively.

d. Appropriation of earnings

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

If there is a surplus in the annual final accounts of the company, the company should first pay taxes and make up for the losses of previous years, and make statutory surplus reserves and withdraw or reverse special surplus reserves according to laws and regulations. The remainder together with the beginning balance of unappropriated earnings, the board of directors shall draw up the appropriation of earnings motion for the approval of shareholder's meetings. Dividends distributed in cash may be implemented by the board of directors with the presence of more than two-thirds of the directors and a resolution of more than half of the directors present, and reported to the shareholders' meeting.

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

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

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

Appropriation of the 2021 earnings were approved by the board of directors on March 14, 2022; the amounts were as follows:

	2021
Legal reserve	\$ 1,029,579
Special reserve	488,511
Cash dividends (NT\$3.92 per share)	8,000,000

On March 31, 2022, the board of directors resolved to distribute cash dividends of \$8,000,000 thousand, and the board of directors reported on behalf of the shareholders' meeting on May 20, 2022,.

Appropriation of the 2020 losses were approved by the board of directors on behalf of the shareholder on May 21, 2021; the amounts were as follows:

	2020
Accumulated deficit at the beginning balance	\$ (1,065,428)
Legal reserve appropriated surplus used to cover accumulated deficits	<u>1,065,428</u>
Accumulated deficit at the ending balance	<u>\$ -</u>

On March 22, 2021, the Corporation's board of directors approved appropriation of the 2020 losses, and no dividends to be distributed.

On August 13, 2021, the Corporation's board of directors approved on behalf of the shareholder's meeting, the distribution of cash dividends of \$9,000,000 thousand arising from legal reserve to shareholder in accordance with Article 241 of the Company Act.

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

21. GAIN (LOSS) ON FINANCIAL ASSETS AND LIABILITIES MEASURED AT FVTPL

	For the Six Months Ended	
	June 30	
	2022	2021
Stock	\$ (606,016)	\$ 1,237,203
Bond	(6,738)	(58,518)
Partnership Funds	60,182	1,046,348
Others	<u>(42,876)</u>	<u>173,085</u>
	<u>\$ (595,448)</u>	<u>\$ 2,398,118</u>

For the six months ended June 30, 2022 and 2021, the realized gain or loss on the Corporation and its subsidiaries' financial assets and liabilities at FVTPL included dividend income of \$73,985 thousand and \$440,518 thousand, respectively.

22. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2022	2021
Property and equipment	\$ 7,811	\$ 7,632
Right-of-use asset	49,632	50,555
Investment property	2,455	10,239
Other non-current assets	<u>801</u>	<u>1,044</u>
	<u>\$ 60,699</u>	<u>\$ 69,470</u>
 An analysis of depreciation by function		
Operating expenses	\$ 57,443	\$ 58,187
Non-operating expenses	<u>2,455</u>	<u>10,239</u>
	<u>\$ 59,898</u>	<u>\$ 68,426</u>
 An analysis of amortization by function		
Operating expenses	<u>\$ 801</u>	<u>\$ 1,044</u>

23. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2022	2021
Employee benefit expense		
Salaries and wages	\$ 365,109	\$ 830,064
Employee insurance	26,522	26,390
Pension	6,477	9,413
Others	<u>16,125</u>	<u>46,354</u>
	<u>\$ 414,233</u>	<u>\$ 912,221</u>
 An analysis by function		
Operating expense	<u>\$ 414,233</u>	<u>\$ 912,221</u>

To comply with the Company Act, the Corporation made consequential amendments to the Corporation's Articles of Incorporation approved by the board of directors which was authorized to assume the function of the shareholder's meeting to distribute the compensation of employees at the rates no less than 1% of net profit before paying income tax and the compensation of employees. However, if the Corporation had incurred cumulative losses, the profit should be used to offset the losses. For the six months ended June 30, 2022 and 2021, the compensation of employees was \$0 and \$28,140 thousand, respectively.

For the year ended December 31, 2022, the compensation of employees was \$105,000 thousand approved by the board of directors on March 14, 2022. However, the Corporation had net loss for the year ended December 31, 2020, so no compensation of employees was estimated.

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

There was no difference between the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

Related information can be accessed at the Market Observation Post System (M.O.P.S.) website of the Taiwan Stock Exchange (<http://mops.twse.com.tw/mops/web/index>).

24. OTHER GAINS AND LOSSES

	For the Six Months Ended June 30	
	2022	2021
Other revenue	\$ 8,072	\$ 1,546,665
Rent revenue	6,578	73,293
Other loss	<u>(2,725)</u>	<u>(10,523)</u>
	<u>\$ 11,925</u>	<u>\$ 1,609,435</u>

In April 2007, the Corporation and Morgan Stanley entered into a credit default swap (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 (“Litigation”) 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 CDS product that had been tied to a synthetic collateralized debt obligation on residential mortgage-backed securities. In addition, Morgan Stanley overlooked the Corporation’s efforts and terminated interest rate swap (IRS) contracts and CDS contracts in August 2010. In March 2021, the Corporation reached an agreement to settle the Litigation with Morgan Stanley, and the parties have agreed to discontinue all claims and to release each other from associated claims and liabilities. The above litigation settlement income was recognized as other revenue.

25. INCOME TAX

a. Income tax benefit (expense)

	For the Six Months Ended June 30	
	2022	2021
Current income tax		
Current period	\$ (7,074)	\$ (111,463)
Additional tax of unappropriated earnings	(37,292)	-
Adjustments for prior year	89,058	(18,895)
Others	<u>-</u>	<u>809</u>
	44,692	(129,549)
Deferred income tax	<u>27,257</u>	<u>(50,425)</u>
Income tax benefit (expense)	<u>\$ 71,949</u>	<u>\$ (179,974)</u>

- 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, 2022	December 31, 2021	June 30, 2021
Tax charged from the parent company	<u>\$ 219,850</u>	<u>\$ 218,787</u>	<u>\$ 219,537</u>
Tax paid to the parent company	<u>\$ 569,112</u>	<u>\$ 636,624</u>	<u>\$ 616,506</u>

- c. Income tax assessments

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

The Corporation's income tax returns through 2016 had been examined by the tax authorities.

Income tax returns of CDIB Capital Management Corp. through 2020 had been examined by the tax authorities. Income tax returns of CDIB Venture Capital Corporation through 2019 had been examined by the tax authorities.

26. EARNINGS (LOSS) PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares (Denominator) (Shares in Thousands)	Earnings (Loss) Per Share (In Dollars)
<u>For the six months ended June 30, 2022</u>			
Net loss attributable to shareholder of parent company	<u>\$ (1,578,253)</u>	<u>2,041,116</u>	<u>\$ (0.77)</u>
<u>For the six months ended June 30, 2021</u>			
Net profit attributable to shareholder of parent company	<u>\$ 2,647,644</u>	<u>2,041,116</u>	<u>\$ 1.30</u>

27. 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 Its Subsidiaries
China Development Financial Holding Corporation	Parent company
KGI Securities Co., Ltd. and its subsidiaries	Subsidiary of the parent company
KGI Commercial Bank Co., Ltd. and its subsidiaries	Subsidiary of the parent company
China Life Insurance Co., Ltd.	Subsidiary of the parent company
China Development Asset Management Corp.	Subsidiary of the parent company
CDIB Capital Asia Partners L.P.	Associate
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Associate
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Associate
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	Associate
CDIB & Partners Investment Holding Corp.	Associate
CDIB Capital Growth Partners L.P.	Associate
CDIB Capital Healthcare Ventures II (Limited Partnership)	Associate
CDIB Capital Global Opportunities Fund L.P.	Associate
CCAP Tutwo Holdings (Hong Kong) Limited	Associate
Others	Other related parties

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

	Amount
<u>June 30, 2022</u>	
KGI Commercial Bank Co., Ltd. Subsidiary of the parent company	\$ 2,050,187 56
<u>December 31, 2021</u>	
KGI Commercial Bank Co., Ltd. Subsidiary of the parent company	6,444,517 49
<u>June 30, 2021</u>	
KGI Commercial Bank Co., Ltd. Subsidiary of the parent company	6,504,888 51

For the six months ended June 30, 2022 and 2021, the interest income from cash in bank were \$9,170 thousand and \$8,872 thousand, respectively.

b. Accrued income (recognized as other receivables)

	Amount
<u>June 30, 2022</u>	
CDIB & Partners Investment Holding Corp.	\$ 156,600
Associate	6
Other related parties	11,640
<u>December 31, 2021</u>	
Associate	16,801
Other related parties	48
<u>June 30, 2021</u>	
CDIB & Partners Investment Holding Corp.	125,280
Subsidiary of the parent company	4,181
Associate	456
Other related parties	48

c. Other receivables - others

	Amount
<u>June 30, 2022</u>	
Associate	\$ 1,115
Other related parties	14,766
<u>December 31, 2021</u>	
Associate	3,428
<u>June 30, 2021</u>	
Associate	7,997
Other related parties	1,335

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

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company	\$ 219,850	\$ 218,787	\$ 219,537

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

e. Lease agreement

	For the Six Months Ended June 30, 2021
<u>Acquisition of right-of-use assets</u>	
China Life Insurance Co., Ltd.	<u>\$ 792,629</u>

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Lease liability</u>			
China Life Insurance Co., Ltd	\$ 771,068	\$ 790,103	\$ 795,216
Subsidiary of the parent company	504	606	-

**For the Six Months Ended
June 30**

	2022	2021
<u>Interest expense</u>		
China Life Insurance Co., Ltd	\$ 3,451	\$ 2,588
Subsidiary of the parent company	2	-

The above rental fee was determined based on the market price and paid monthly/quarterly.

f. Refundable deposits (recognized as other non-current assets)

	June 30, 2022	December 31, 2021	June 30, 2021
Subsidiary of the parent company	\$ 14,375	\$ 14,375	\$ 14,649

g. Restricted assets (recognized as other non-current assets)

	June 30, 2022	December 31, 2021	June 30, 2021
CCAP Tutwo Holdings (Hong Kong) Limited	\$ 1,374,658	\$ 1,336,960	\$ 1,319,121
Subsidiary of the parent company	31,100	31,100	31,100

h. Other payables

	Amount
<u>June 30, 2022</u>	
CCAP Tutwo Holdings (Hong Kong) Limited	\$ 1,374,658
Other related parties	4,020
<u>December 31, 2021</u>	
CCAP Tutwo Holdings (Hong Kong) Limited	1,336,960
Other related parties	4,020
<u>June 30, 2021</u>	
CCAP Tutwo Holdings (Hong Kong) Limited	1,319,121
Subsidiary of the parent company	17
Associate	12,526
Other related parties	4,187

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

	June 30, 2022	December 31, 2021	June 30, 2021
Parent company	\$ 569,112	\$ 636,624	\$ 616,506

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

j. Advance receipts (recognized as other current liabilities)

	Amount
<u>June 30, 2022</u>	
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	\$ 44,902
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	40,472
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	35,702
CDIB Capital Growth Partners L.P.	19,679
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,338
Other related parties	1,910
<u>December 31, 2021</u>	
CDIB Capital Growth Partners L.P.	30,341
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	19,156
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,120
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	15,900
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	15,669
Other related parties	1,879
<u>June 30, 2021</u>	
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	43,794
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	40,034
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	33,118
CDIB Capital Growth Partners L.P.	30,551
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,338
Subsidiary of the parent company	7,050

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

	Amount
<u>June 30, 2021</u>	
Parent company	\$ 8,474
Subsidiary of the parent company	22,743
Associate	1,603
Other related parties	311

l. Consulting service revenue

Amount

For the six months ended June 30, 2022

CDIB Capital Asia Partners L.P.	\$ 72,310
CDIB Capital Growth Partners L.P.	38,515
CDIB Capital Global Opportunities Fund L.P.	37,781
CDIB Capital Healthcare Ventures II (Limited Partnership)	29,272
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	23,648
Subsidiary of the parent company	8,628
Other related parties	90,685

For the six months ended June 30, 2021

CDIB Capital Asia Partners L.P.	71,255
CDIB Capital Growth Partners L.P.	43,032
CDIB Capital Global Opportunities Fund L.P.	37,448
CDIB Capital Healthcare Ventures II (Limited Partnership)	29,272
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	24,585
Subsidiary of the parent company	8,492
Other related parties	42,717

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

Amount

For the six months ended June 30, 2021

KGI Commercial Bank Co., Ltd.	\$ 43,693
Parent company	16,947
Subsidiary of the parent company	1,793
Other related parties	3,828

The rent was based on market prices and receivable quarterly.

n. Donation (recognized as operating expense)

Amount

For the six months ended June 30, 2021

Other related parties	\$ 19,750
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o. Non-maturity derivative financial instrument

June 30, 2022

Related Party	Derivative Financial Instrument Contract Name	Contract Period	Notional Amount	Current Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiary of the parent company	Cross-currency swap contract	2020/03/12-2025/05/26	\$ 628,759	\$ 48,773	Financial assets at FVTPL	\$ 38,153

December 31, 2021

Related Party	Derivative Financial Instrument Contract Name	Contract Period	Notional Amount	Current Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiary of the parent company	Cross-currency swap contract	2020/03/12-2025/05/26	\$ 573,639	\$ (11,550)	Financial liabilities at FVTPL	\$ 11,417

June 30, 2021

Related Party	Derivative Financial Instrument Contract Name	Contract Period	Notional Amount	Current Valuation Gain (Loss)	Balance Sheet	
					Account	Balance
Subsidiary of the parent company	Cross-currency swap contract	2020/03/12-2023/05/26	\$ 535,370	\$ 10,612	Financial liabilities at FVTPL	\$ 36,431

p. Remuneration of key management personnel

	For the Six Months Ended June 30	
	2022	2021
Salary and short-term benefits	\$ 67,748	\$ 188,861
Share-based payment	2,516	-
Post-employment benefits	<u>713</u>	<u>706</u>
	<u>\$ 70,977</u>	<u>\$ 189,567</u>

28. CAPITAL RISK MANAGEMENT

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

29. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

- a) Level 1 fair values are quoted prices in active markets for financial instruments.
- b) Level 2 fair values refer to directly or indirectly observable inputs other than Level 1 quoted prices, such as the quoted prices of similar financial instruments in active markets; in less active markets, fair values are quoted prices of the same or similar financial instruments or financial instruments that can be generated by using pricing models that use inputs such as interest rates and volatility rates, which are derived from or can be corroborated with observable market data.
- c) Level 3 refers to inputs that are not based on observable market data.

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

June 30, 2022

	(In Thousands of New Taiwan Dollars)			
	Level 1	Level 2	Level 3	Total
<u>Measured at fair value used by repetitive basis</u>				
<u>Non-derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	\$ 2,108,138	\$ 163,102	\$ 5,646,437	\$ 7,917,677
Partnership fund	-	-	2,777,433	2,777,433
Others	-	-	894,735	894,735
Financial assets designated as at FVTPL	-	-	6,438,550	6,438,550
<u>Derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL	-	-	38,153	38,153

December 31, 2021

	(In Thousands of New Taiwan Dollars)			
	Level 1	Level 2	Level 3	Total
<u>Measured at fair value used by repetitive basis</u>				
<u>Non-derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	\$ 2,924,999	\$ 249,342	\$ 5,772,686	\$ 8,947,027
Partnership fund	-	-	2,556,789	2,556,789
Others	-	-	840,057	840,057
Financial assets designated as at FVTPL	-	-	4,740,512	4,740,512
Financial assets at FVTOCI				
Bond	-	100,160	-	100,160
<u>Derivative financial instruments</u>				
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	11,417	11,417

June 30, 2021

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
<u>Measured at fair value used by repetitive basis</u>				
<u>Non-derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	\$ 2,310,641	\$ 88,784	\$ 6,221,462	\$ 8,620,887
Partnership fund	-	-	5,097,097	5,097,097
Others	-	-	1,453,029	1,453,029
Financial assets designated as at FVTPL	-	-	2,998,617	2,998,617
Financial assets at FVTOCI				
Bond	-	107,788	-	107,788
<u>Derivative financial instruments</u>				
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	36,431	36,431

3) Financial instruments measured at fair value

For financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income, fair value is determined at quoted market prices. When market prices of the Corporation and its 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 its subsidiaries use for fair value estimation is consistent with that generally used in the market.

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

There was no transfer of financial instrument hierarchy between Level 1 and Level 2 for the six months ended June 30, 2022 and 2021.

5) Reconciliation of Level 3 items of financial instruments

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

For the Six Months Ended June 30, 2022

(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 Addition	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 9,169,532	\$ 407,756	\$ 22,696	\$ -	\$ 243,226	\$ -	\$ 9,356,758
Financial assets designated as at FVTPL	4,740,512	72,922	1,625,116	-	-	-	6,438,550

For the Six Months Ended June 30, 2021

(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 Addition	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 11,657,983	\$ 639,468	\$ 1,134,556	\$ -	\$ 660,419	\$ -	\$ 12,771,588
Financial assets designated as at FVTPL	1,854,964	143,858	1,011,354	-	11,559	-	2,998,617

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

For the Six Months Ended June 30, 2022

(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 Addition	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial liabilities at FVTPL							
Held for trading	\$ 11,417	\$ (11,417)	\$ -	\$ -	\$ -	\$ -	\$ -

For the Six Months Ended June 30, 2021

(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 Addition	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial liabilities at FVTPL							
Held for trading	\$ 48,000	\$ (11,569)	\$ -	\$ -	\$ -	\$ -	\$ 36,431

The total gains or losses for the six months ended June 30, 2022 and 2021 included gains of \$55,551 thousand and \$1,270,150 thousand relating to assets measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

The total gains or losses for the six months ended June 30, 2022 and 2021 included gains of \$11,417 thousand and \$11,569 thousand related to liabilities measured at fair value on Level 3 fair value measurement and held at the end of reporting date.

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

Quantitative information on Level 3 equity securities of the Corporation and its subsidiaries was as follows:

	Fair Value at June 30, 2022	Valuation Techniques	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items Non-derivative financial assets Financial assets at FVTPL	\$ 15,757,155	Market approach	P/B P/S Lack of liquidity discount	1.38 0.47-0.83 26%-29%	The higher income multiplier, the higher fair value; The higher lack of liquidity discount, the lower fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	23%-29% 5.54%-11.12% 2.20%-8.36%	The higher lack of liquidity discount, the lower fair value; The higher WACC, the lower fair value; The higher growth rate, the higher fair value.
		Net asset adjustment method	Lack of liquidity discount	29%	The higher lack of liquidity discount, the lower fair value.
		Recent transaction price	-	-	-

	Fair Value at December 31, 2021	Valuation Techniques	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items Non-derivative financial assets Financial assets at FVTPL	\$ 13,910,044	Market approach	EV/sales P/B P/S Lack of liquidity discount	0.57 1.72 0.84-1.07 26%-29%	The higher income multiplier, the higher fair value; the higher lack of liquidity discount, the lower fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	26%-29% 5.67%-10.49% 1.80%-6.76%	The higher lack of liquidity discount, the lower fair value; the higher WACC, the lower fair value; the higher growth rate, the higher fair value.
		Net asset adjustment method	Lack of liquidity discount	29%	The higher lack of liquidity discount, the lower fair value.
		Recent transaction price	-	-	-

	Fair Value at June 30, 2021	Valuation Techniques	Significant Unobservable Inputs	Range	The Relationship Between Inputs and Fair Value
Repetitive basic to fair value measurement items Non-derivative financial assets Financial assets at FVTPL	\$ 15,770,205	Market approach	P/B P/S Lack of liquidity discount	1.09-2.37 0.88-1.46 26%-29%	The higher income multiplier, the higher fair value; The higher lack of liquidity discount, the lower fair value.
		Discounted cash-flow method	Lack of liquidity discount WACC Growth rate	26%-29% 5.99%-11.16% 2.10%-6.40%	The higher lack of liquidity discount, the lower of fair value; The higher WACC, the lower fair value; The higher growth rate, the higher fair value.
		Net asset adjustment method	Lack of liquidity discount	29%	The higher lack of liquidity discount, the lower fair value.
		Recent transaction price	-	-	-

7) Pricing process of level 3 fair value

The Corporation and its 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 its subsidiaries verify whether the sources of the information are independent or whether the information itself reasonably reflects prices in normal circumstances, and also examine and adjust fair value periodically to insure that valuation results are reasonable.

The Corporation and its subsidiaries' pricing models and condition assumptions have been considered the influences of COVID-19, including the inflections of investee's operating conditions in the future, which decrease the forecast number of revenue and profit.

b. Financial instruments not carried at fair value

1) Fair value information of financial instrument

Except for financial assets measured at amortized cost, the carrying amounts of the financial instruments not measured at fair value are approximate to their fair values; thus, their fair values are not disclosed.

2) Fair value hierarchy of financial instruments

June 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 1,317,423	\$ -	\$ 1,317,423

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 936,633	\$ -	\$ 936,633

June 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 658,360	\$ -	\$ 658,360

3) Valuation techniques

The fair values of the financial assets measured at amortized cost were estimated by referring to the discounted expected cash flow, of which the discount rates were reference to interest rates with similar maturity date.

c. Categories of financial instruments

	June 30, 2022	December 31, 2021	June 30, 2021
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 11,627,998	\$ 12,343,873	\$ 15,171,013
Designated as at FVTPL	<u>6,438,550</u>	<u>4,740,512</u>	<u>2,998,617</u>
	<u>\$ 18,066,548</u>	<u>\$ 17,084,385</u>	<u>\$ 18,169,630</u>
Amortized cost			
Cash and cash equivalent	\$ 4,517,910	\$ 8,137,269	\$ 7,847,097
Financial assets at amortized cost	1,216,143	891,608	674,560
Other receivables	318,617	2,593,234	488,035
Other non-current assets	<u>1,454,983</u>	<u>1,418,315</u>	<u>1,406,990</u>
	<u>\$ 7,507,653</u>	<u>\$ 13,040,426</u>	<u>\$ 10,416,682</u>
Fair value through other comprehensive income			
Debt investments	<u>\$ -</u>	<u>\$ 100,160</u>	<u>\$ 107,788</u>
<u>Financial liabilities</u>			
FVTPL			
Financial liabilities held for trading	<u>\$ -</u>	<u>\$ 11,417</u>	<u>\$ 36,431</u>
Amortized cost			
Short-term borrowings	\$ 4,711,630	\$ 497,833	\$ 100,000
Other payables	1,460,848	2,830,113	902,026
Other non-current liabilities	<u>1,381,847</u>	<u>1,346,710</u>	<u>1,358,861</u>
	<u>\$ 7,554,325</u>	<u>\$ 4,674,656</u>	<u>\$ 2,360,887</u>

d. Risk management policies and objective

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

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

1) Market risk

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

a) Foreign currency risk

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

(In Thousands of Foreign Currencies/New Taiwan Dollars)

	June 30, 2022		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 239,989	29.726	\$ 7,133,909
CNY	311,164	4.440	1,381,474
KRW	22,195,066	0.023	508,112
Nonmonetary items			
USD	248,623	29.726	7,390,557
CNY	140,828	4.440	625,234
GBP	5,273	36.060	190,144
KRW	5,987,004	0.023	137,060
Investments accounted for using the equity method			
USD	73,515	29.726	2,185,310
CNY	423,319	4.440	1,879,537
<u>Financial liabilities</u>			
Monetary items			
CNY	315,234	4.440	1,399,543
USD	13,750	29.726	408,746

	December 31, 2021		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 242,417	27.690	\$ 6,712,539
CNY	273,438	4.346	1,188,445
KRW	22,125,934	0.023	515,291
Nonmonetary items			
USD	315,588	27.690	8,738,623
CNY	129,189	4.346	561,495
KRW	5,756,891	0.023	134,072
Investments accounted for using the equity method			
USD	76,871	27.690	2,128,572
CNY	438,997	4.346	1,907,879
<u>Financial liabilities</u>			
Monetary items			
CNY	317,003	4.346	1,377,790
USD	34,300	27.690	949,764
	June 30, 2021		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 189,354	27.870	\$ 5,277,301
CNY	590,001	4.311	2,543,433
KRW	21,748,350	0.025	537,423
Nonmonetary items			
USD	334,762	27.870	9,329,810
CNY	87,343	4.311	376,526
KRW	5,127,585	0.025	126,708
THB	136,980	0.870	119,173
Investments accounted for using the equity method			
USD	80,862	27.870	2,253,629
CNY	438,636	4.311	1,890,917
<u>Financial liabilities</u>			
Monetary items			
CNY	315,835	4.311	1,361,533

Sensitivity analysis

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

	Impact to Profit or Loss	
	For the Six Months Ended	
	June 30	
	2022	2021
Monetary items		
USD	\$ 67,252	\$ 52,426
KRW	5,081	5,374
CNY	(181)	11,819
HKD	153	976

b) Interest rate risk

The primary financial assets of the Corporation and its subsidiaries with exposure to interest rates as of June 30, 2022, December 31, 2021 and June 30, 2021 were cash in banks. Management believes that interest rate changes would have been no significant effect on the Corporation and its subsidiaries.

c) Other price risk

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

If equity prices had been 1% higher/lower, the post-tax income for the six months ended June 30, 2022 and 2021 would increase/decrease by \$143,633 thousand and \$159,333 thousand, as a result of the changes in fair value of financial assets at fair value through profit or loss.

2) Credit risk

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

The Corporation and its 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 management of the Corporation and its subsidiaries supervise the use of bank financing lines and ensure compliance with the terms of the loan contracts.

Bank borrowings is an important source of liquidity for the Corporation and its subsidiaries. For the unused financing amount of the Company and its subsidiaries, please refer to the table below:

Financing facilities

	June 30, 2022	December 31, 2021	June 30, 2021
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 4,711,630	\$ 497,833	\$ 100,000
Amount unused	<u>12,276,720</u>	<u>12,732,417</u>	<u>8,777,250</u>
	<u>\$ 16,988,350</u>	<u>\$ 13,230,250</u>	<u>\$ 8,877,250</u>

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

- a) Dispose of surplus capital should consider possible future capital requirements, de-concentration of capital sources and reasonable liquidity of liability structure.
- b) Pursuant to liquidity risk control, the Corporation use performance index of financial structure and dispatching of funds to set up a system to monitor daily funding gap.

As of June 30, 2022, December 31, 2021 and June 30, 2021, other financial liabilities were \$0, and the rest of non-derivative financial liabilities are \$8,433,474 thousand, \$4,703,213 thousand and \$3,253,573 thousand, respectively, and were mainly current liabilities.

4) The effect of interest rate benchmark reform

Changes in interest rate indicators mainly expose the Corporation and its subsidiaries to basic interest rate risks. The Corporation and its subsidiaries will complete the contract modification negotiation with the counterparty of the financial instrument before LIBOR exits, so as to reduce the significant uncertainty of the interest rate base applicable to the financial instrument in the future, and trigger the unexpected interest rate risk insurance of the Corporation and its subsidiaries.

The following table contains details of all the financial instruments held by the Corporation and its subsidiaries at June 30, 2022 which are subject to the reform and have not transitioned to an alternative benchmark interest rate:

<u>Non-derivative financial instrument</u>	Financial Liabilities
USD LIBOR	<u>\$ 5,700</u>

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

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

Securities and Futures Investors Protection Center sued CDIB Capital Management Corporation and claimed that due to the fact that CDIB Capital Management Corporation is the corporate director of Powercom Ltd., CDIB Capital Management Corporation have but not performed sufficient audits on the contents disclosed in the financial statements which failed to comply the obligation of being a good administrator. Therefore, the plaintiff demanded compensation of \$592,648 thousand and related interests from CDIB Capital Management Corporation and Powercom Ltd. On November 29, 2019, the Taipei District Court judged that CDIB Capital Management Corporation had lost part of the lawsuit, CDIB Capital Management Corporation and its assigned representative should pay not only total of \$31,010 thousand but also interest calculated by the annual interest rate of 5% from November 13, 2013 to the date of settlement, respectively. CDIB Capital Management Corporation had appealed on January 9, 2020. During the trial of the Taiwan High Court, CDIB Capital Management Corporation and Securities and Futures Investors Protection Center negotiated settlement matters. CDIB Capital Management Corporation and Securities and Futures Investors Protection Center settled with the insurance center in May 2022. Securities and Futures Investors Protection Center had withdrawn prosecution to CDIB Capital Management Corporation and the two appointed natural person representatives. The case was closed.

31. ADDITIONAL DISCLOSURES

a. and b. information about significant transactions:

- 1) Financing provided: For the Corporation and its subsidiaries' information: None.
- 2) Endorsements/guarantees provided: Please refer to Table 1 (attached).
- 3) Marketable securities held: Please refer to Table 2 (attached).
- 4) Marketable securities acquired or 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 3 (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 its 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 its subsidiaries' information: None.
- 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the issued capital: For the Corporation and its subsidiaries' information: None.
- 8) Receivables from related parties amounting to NT\$100 million or 20% of the issued capital: Please refer to Note 27 to the consolidated financial statements and Table 4 (attached).
- 9) Derivative transactions: Please refer to Note 8 and Note 29 to the consolidated financial statements.
- 10) Information on investees: Please refer to Table 5 (attached).

c. Information on investments in mainland China

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, 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 6 (attached).
 - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: For the Corporation and its subsidiaries' information: None.
- d. Intercompany relationships and significant intercompany transactions: Please refer to Table 8 (attached).

32. SEGMENT INFORMATION

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)

No.	Endorsements/Guarantees Provider	Counterparty		Limits on Each Counter-party's Endorsements/Guarantees Amounts	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn Down	Carrying Value (as of Balance Sheet Date) of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Endorsements/Guarantees Amounts Allowable	Provision of Endorsements/Guarantees by Parent Company to Subsidiary	Provision of Endorsements/Guarantees by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Nature of Relationship										
0	The Corporation	CDIB Capital Investment I limited	Note 1	\$ 7,601,070	\$ 1,486,300	\$ 1,486,300	\$ 169,438	\$ -	4.22%	\$ 14,073,982 (Note 2)	No	No	No
		CDIB Global Markets Limited	Note 1	5,237,497	1,486,300	1,486,300	-	-	4.22%	14,073,982 (Note 2)	No	No	No

Note 1: The Group has directly or indirectly over 50% voting right of the company.

Note 2: The limit of maximum guarantee provided by the corporation is based on "Corporate Endorsement, Guarantee Making Guideline". For each company, the amount of guarantee should limit on the amount of each counterparty's net investment in principle except the board of directors approve. The total amount available for collaterals or guarantee should not exceed 40% of the guarantee provider's net asset value.

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2022

(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, 2022				Note	
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value		
The Corporation	<u>Stocks</u>								
	Logicom Inc.	-	Financial assets at fair value through profit or loss	3,261,773	\$ 14,344	10.69	\$ 14,344		
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	16,056	10.83	16,056		
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	67,278	6.04	67,278		
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	12,560	13.96	12,560		
	Subtron Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	10,786,000	353,781	3.62	353,781		
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	23,772	8.40	23,772		
	Hua Jie (Taiwan) Corp.	-	Financial assets at fair value through profit or loss	300,000	2,100	1.49	2,100		
	AMIA Co., Ltd.	-	Financial assets at fair value through profit or loss	6,000,000	206,100	8.51	206,100		
	Up Scienteck Materials Corp.	-	Financial assets at fair value through profit or loss	4,651,344	82,064	6.97	82,064		
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	25,023	6.47	25,023		
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	23,873	1.88	23,873		
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	4,746,720	95,646	5.32	95,646		
	Kaohsiung Rapid Transit Corp.	-	Financial assets at fair value through profit or loss	3,845,330	4,018	1.38	4,018		
	Dragon Jet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	24,690	4.77	24,690		
	Vactronics Technologies Inc.	-	Financial assets at fair value through profit or loss	1,386,241	157,338	2.38	157,338		
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	18,127	10.43	18,127		
	Microprogram Information Co., Ltd.	-	Financial assets at fair value through profit or loss	2,550,000	25,194	7.71	25,194		
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	88,286	4.81	88,286		
	Eden Biologics, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	92,391	3.55	92,391		
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	43,212	12.00	43,212		
	Chime Biologics Limited	-	Financial assets at fair value through profit or loss	8,382,844	118,742	3.55	118,742		
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	102,084	8.04	102,084		
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	2,079,360	30,469	0.13	30,469		
	Lightel Technologies, Inc.	-	Financial assets at fair value through profit or loss	3,000,000	47,384	43.44	47,384		
	Apexigen, Inc.	-	Financial assets at fair value through profit or loss	4,970,588	109,462	12.68	109,462		
	CDIB Capital Management Corporation	<u>Stocks</u>							
		EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	2,509	1.44	2,509	
CDIB Venture Capital Corporation	<u>Stocks</u>								
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	12,709	1.62	12,709		
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	3,891,000	277,623	1.10	277,623		
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	1,872,753	99,023	4.68	99,023		
	Handa Pharmaceuticals Inc.	-	Financial assets at fair value through profit or loss	2,446,000	137,025	2.00	137,025		
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	500,000	46,183	1.46	46,183		
	Regal Holding Co., Ltd.	-	Financial assets at fair value through profit or loss	32,000	784	0.08	784		
	21th Century Digital Co., Ltd.	-	Financial assets at fair value through profit or loss	4,121,094	648,990	8.23	648,990		
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	3,114,000	439,074	0.53	439,074		
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	325,631	2,470	2.60	2,470		
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	1,633	0.13	1,633		
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,650,603	163,012	7.16	163,012		
	Giant Manufacturing Co., Ltd.	-	Financial assets at fair value through profit or loss	80,000	19,200	0.02	19,200		
	Apex Dynamics, Inc.	-	Financial assets at fair value through profit or loss	100,000	21,900	0.12	21,900		
	Taiwan Microloops Corp.	-	Financial assets at fair value through profit or loss	1,000,000	48,580	2.67	48,580		
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	51,494	5.68	51,494		
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	88,286	4.81	88,286		
Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	5,806	2.68	5,806			

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	\$ 24,258	0.93	\$ 24,258	
	i-Serve Holdings Limited	-	Financial assets at fair value through profit or loss	2,232,219	42,227	4.17	42,227	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	68,240	10.23	68,240	
	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	98,355	6,388	3.30	6,388	
	21th Century Digital Co., Ltd - preferred stock	-	Financial assets at fair value through profit or loss	833,348	131,236	75.00	131,236	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	11,167,513	87,408	46.15	87,408	
	4Gamers Entertainment Inc. - preferred stock	-	Financial assets at fair value through profit or loss	24,000	15,695	20.00	15,695	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	9,063	8.20	9,063	
	Citiesocial Holding Cayman Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	479,635	16,119	18.18	16,119	
	CCMODA Corp. - preferred stock	-	Financial assets at fair value through profit or loss	666,666	4,459	20.00	4,459	
	Asia Parents Holdings Limited - preferred stock	-	Financial assets at fair value through profit or loss	248,889	16,647	14.74	16,647	
	Kneron Holding Corporation - preferred stock	-	Financial assets at fair value through profit or loss	1,391,752	235,816	9.00	235,816	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock	-	Financial assets at fair value through profit or loss	4,559,686	101,183	26.09	101,183	
	Crescendo lab - preferred stock	-	Financial assets at fair value through profit or loss	8,000	11,890	16.00	11,890	
	Zentera Systems, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	67,725	39.35	67,725	
	FUNP Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	400,000	42,805	13.86	42,805	
	Achieve Made International Limited - preferred stock	-	Financial assets at fair value through profit or loss	168,138	10,921	6.67	10,921	
	PChome Online Inc.	-	Financial assets at fair value through profit or loss	1,875,293	90,304	1.46	90,304	
	United Renewable Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	2,888,685	42,329	0.18	42,329	
	Viscovery (Cayman) Holding Company Limited - preferred stock A	-	Financial assets at fair value through profit or loss	200,000	5,945	10.96	5,945	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock A	-	Financial assets at fair value through profit or loss	2,679,133	59,452	13.03	59,452	
	AmazingTalker - preferred stock A	-	Financial assets at fair value through profit or loss	4,282,655	59,452	12.90	59,452	
	FunNow Ltd. - preferred stock A	-	Financial assets at fair value through profit or loss	185,184	63,195	20.00	63,195	
	Viscovery (Cayman) Holding Company Limited - preferred stock AA	-	Financial assets at fair value through profit or loss	300,000	8,918	15.00	8,918	
	4Gamers Entertainment Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,707	4.80	5,707	
	Kkday.com International Company Limited - preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	45,722	8.62	45,722	
	Traveler Co., Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	32,077	47,943	10.85	47,943	
	FunNow Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	43,573	14,869	3.36	14,869	
	Kkday.com International Company Limited - preferred stock C	-	Financial assets at fair value through profit or loss	7,655,502	61,901	2.31	61,901	
	Traveler Co., Ltd.-preferred stock C	-	Financial assets at fair value through profit or loss	7,955	11,890	3.20	11,890	
	Fractyl Health, Inc. - preferred stock E	-	Financial assets at fair value through profit or loss	1,305,574	325,390	10.17	325,390	
	Achieve Made International Limited - preferred stock E	-	Financial assets at fair value through profit or loss	336,276	21,842	10.00	21,842	
	<u>Convertible (exchange) corporate bond</u>							
	CCMODA Corp.		Financial assets at fair value through profit or loss	200,000	1,784	-	1,784	
CDIB Capital Investment I Limited	<u>Stocks</u>							
	Best Inc.	-	Financial assets at fair value through profit or loss	300,000	US\$ 354	0.38	US\$ 354	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US\$ 141	0.05	US\$ 141	
	Boxed, Inc	-	Financial assets at fair value through profit or loss	656,724	US\$ 1,215	0.96	US\$ 1,215	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US\$ 132	12.50	US\$ 132	
	Mestay Cayman Islands Limited - preferred stock C	-	Financial assets at fair value through profit or loss	13,722,047	US\$ 1,137	3.40	US\$ 1,137	
	Viking 3 Holdings Corporation - preferred stock C	-	Financial assets at fair value through profit or loss	18,000,000	US\$ 10,000	100.00	US\$ 10,000	
	Great Team Backend Foundry, Inc. - preferred stock C	-	Financial assets at fair value through profit or loss	664,687	US\$ 294	2.00	US\$ 294	
	Rokid Corporation Ltd. - preferred stock C	-	Financial assets at fair value through profit or loss	615,642	US\$ 5,750	0.91	US\$ 5,750	
	K Health, Inc. - preferred stock C	-	Financial assets at fair value through profit or loss	496,376	US\$ 14,451	1.50	US\$ 14,451	
	<u>Funds</u>							
	Carlyle Asia Partners II, L. P.	-	Financial assets at fair value through profit or loss	-	US\$ 69	-	US\$ 69	
	KKR X-Ray Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 8,018	-	US\$ 8,018	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 35,609	-	US\$ 35,609	
	CC KDC CO-INVEST L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 39,784	-	US\$ 39,784	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 57	-	US\$ 57	
	BCP QualTek Investor Holdings, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,342	-	US\$ 3,342	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2022				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
	<u>Corporate bonds</u>							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	29,395,000	US\$ 29,039	-	US\$ 29,039	
	StorHub Hong Kong I Limited	-	Financial assets at amortized cost	1,291,923	US\$ 1,268	-	US\$ 1,332	
	StorHub Hong Kong IV Limited	-	Financial assets at amortized cost	2,101,959	US\$ 2,063	-	US\$ 2,167	
	StorHub Hong Kong VI Limited	-	Financial assets at amortized cost	5,477,324	US\$ 5,376	-	US\$ 5,647	
	StorHub Hong Kong V Ltd	-	Financial assets at amortized cost	6,580,216	US\$ 6,459	-	US\$ 6,784	
	StorHub Hong Kong III Ltd	-	Financial assets at amortized cost	2,235,102	US\$ 2,194	-	US\$ 2,304	
	StorHub Hong Kong VII Ltd	-	Financial assets at amortized cost	4,127,132	US\$ 4,051	-	US\$ 4,255	
	<u>Convertible (exchange) corporate bond</u>							
	Mestay Cayman Islands Limited	-	Financial assets at fair value through profit or loss	7,013,490	US\$ 1,000	-	US\$ 1,000	
SCBS 1 Holding Corporation	<u>Stock</u>							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US\$ 2,801	2.91	US\$ 2,801	
CDIB X Finance I Holding Limited	<u>Corporate bond</u>							
	Xian Group Limited	-	Financial assets at amortized cost	5,000,000	US\$ 2,408	-	US\$ 2,408	
CDIB Capital Investment II Limited	<u>Stocks</u>							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US\$ 1,592	2.46	US\$ 1,592	
	Techmate Korea Daebu Co., Ltd.	-	Financial assets at fair value through profit or loss	45,600	US\$ 3,019	10.00	US\$ 3,019	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US\$ 3,577	2.88	US\$ 3,577	
	NY4 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	8,080,000	US\$ 8,061	100.00	US\$ 8,061	
	Indostar Everstone - preferred stock	-	Financial assets at fair value through profit or loss	860,332	US\$ 4,849	8.12	US\$ 4,849	
CDIB TMK Finance Holding Limited	<u>Corporate bond</u>							
	Techmate Korea Daebu Co., Ltd.	-	Financial assets at amortized cost	22,789,140,793	US\$ 17,093	-	US\$ 19,423	
CDIB Global Markets Limited	<u>Stocks</u>							
	Big Commerce Holdings, Inc.	-	Financial assets at fair value through profit or loss	30,361	US\$ 492	0.04	US\$ 492	
	Eventbrite, Inc.	-	Financial assets at fair value through profit or loss	24,904	US\$ 256	0.03	US\$ 256	
	ContextLogic, Inc.	-	Financial assets at fair value through profit or loss	97,200	US\$ 156	0.02	US\$ 156	
	Flemingo International (BVI) Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	1,048	US\$ 15,984	50.19	US\$ 15,984	
	Osaro, Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	510,958	US\$ 3,465	3.85	US\$ 3,465	
	<u>Funds</u>							
	Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US\$ 6,475	-	US\$ 6,475	
	Carlyle Giovanna Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 81	-	US\$ 81	

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

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

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
 (THE CORPORATION'S SUBSIDIARIES AMOUNTING TO NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL)
 FOR THE SIX MONTHS ENDED JUNE 30, 2022
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	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
CDIB Capital Global Markets Limited	Corporate bond CDIB Medtech Investment Partners Limited	Financial assets at fair value through profit or loss	-	-	-	\$ -	25,000,000	US\$ 25,000 (Note)	-	\$ -	\$ -	\$ -	25,000,000	US\$ 25,000 (Note)

Note: Initial acquisition cost.

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

JUNE 30, 2022

(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	\$ 219,850 (Note)	-	\$ -	-	\$ -	\$ -
	CDIB & Partners Investment Holding Corporation	Related party	156,000	-	-	-	156,000	-

Note: Tax receivable result from linked-tax system.

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars and Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2022	December 31, 2021	Shares (In Thousands)	%	Carrying Amount			
The Corporation	CDIB Venture Capital Corporation	Taiwan	Venture fund	\$ 2,586,087	\$ 2,586,087	535,494	100.00	\$ 5,249,681 (Note 1)	\$ (273,013)	\$ (273,013)	Subsidiary
	CDIB Capital Management Corporation	Taiwan	Management and consulting	-	-	23,094	100.00	490,633 (Note 1)	11,903	11,903	Subsidiary
	CDIB Global Markets Limited	British Virgin Islands	Investment	3,035,254	3,035,254	339	100.00	5,237,497 (Note 1)	US\$ 4,057	116,670	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	7,601,070 (Note 1)	US\$ (15,003)	(431,499)	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,473,396 (Note 1)	US\$ (6,992)	(201,100)	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Private equity advisory services	156,951	156,951	4,700	100.00	230,209 (Note 1)	US\$ 1,533	44,101	Subsidiary
	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	3,146,470	3,146,470	925,000	100.00	3,392,940 (Note 1)	HK\$ 7,018	25,787	Subsidiary
	CDIB & Partners Investment Holding Corporation	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	3,699,000	(2,254,980)	(647,418)	Associate
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	349,500	407,750	34,950	33.29	456,974	(11,163)	(3,716)	Associate
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	349,200	426,800	34,920	38.80	233,108	(11,677)	(4,531)	Associate
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	23,550	28	6	Associate
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	300,000	30,000	35.71	371,373	25,504	Not applicable	Associate
	CDIB Venture Capital Corporation	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	1,012,565	888,060	-	-	1,327,158	(205,474)	Not applicable
CDIB Capital Healthcare Ventures II Limited Partnership		Taiwan	Venture fund	279,426	286,480	-	-	358,064	(130)	Not applicable	Associate
CDIB & Innolux Limited Partnership		Taiwan	Venture fund	202,643	76,673	-	-	221,426	(86,677)	Not applicable	Associate
GPPC Development Corp.		Taiwan	Accommodation and food service activities	50,000	50,000	5,000	38.46	25,581	(54,377)	Not applicable	Associate
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Hong Kong	Management and consulting	204,486	204,486	51,900	100.00	344,635 (Note 1)	HK\$ 2,098	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management and consulting	12,000	12,000	1,200	60.00	14,121 (Note 1)	1,808	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	10,500	12,250	1,050	1.00	13,729	(11,163)	Not applicable	Associate
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	9,000	11,000	900	1.00	6,008	(11,677)	Not applicable	Associate
	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	41,008	35,942	-	-	53,995	(205,474)	Not applicable	Associate
	CDIB Capital Healthcare Ventures II Limited Partnership	Taiwan	Venture fund	12,626	12,626	-	-	15,786	(130)	Not applicable	Associate
	CDIB & Innolux Limited Partnership	Taiwan	Venture fund	7,180	2,717	-	-	7,846	(86,677)	Not applicable	Associate
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US\$ 102,368	US\$ 101,874	-	-	US\$ 73,515	US\$ 2,415	Not applicable	Associate
	CDIB Capital Global Opportunities Fund L.P.	Cayman Islands	Venture fund	US\$ 7,324	US\$ 5,875	-	-	US\$ 7,249	US\$ (8,689)	Not applicable	Associate
	Eve & Partners Limited Partnership	Cayman Islands	Venture fund	US\$ 6,959	US\$ 6,959	-	-	US\$ 6,397	GBP (2,991)	Not applicable	Associate
	SCBS I Holding Corporation	United States of America	Investment Holdings	US\$ 3,578	US\$ 3,578	4	100.00	US\$ 2,804 (Note 1)	US\$ 133	Not applicable	Subsidiary
	CDIB X Finance I Holding Limited	Cayman Islands	Investment	US\$ 5,500	US\$ 5,500	6	100.00	US\$ 3,123 (Note 1)	US\$ (2,271)	Not applicable	Subsidiary
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Cayman Islands	Investment	US\$ 19,182	US\$ 19,182	19	100.00	US\$ 20,344	US\$ 1,289	Not applicable	Subsidiary
CDIB Global Markets Limited	Orchid Investment Holdings	Cayman Islands	Investment Holdings	US\$ 28,107	US\$ 28,107	-	-	US\$ 28,107	US\$ 158	Not applicable	Associate
	Amber Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 30,091	US\$ 30,091	-	-	US\$ 30,091	US\$ (8)	Not applicable	Associate
	CDIB Medtech Holdings Limited	Cayman Islands	Investment Holdings	US\$ 10,000	US\$ -	-	-	US\$ 10,000	-	Not applicable	Associate
	CDIB Medtech Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 25,000	US\$ -	-	-	US\$ 25,000	-	Not applicable	Associate
	AIC Tahoe, Limited Partnership	United States of America	Investment Holdings	US\$ 9,474	US\$ -	-	-	US\$ 9,474	-	Not applicable	Associate
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Private equity advisory services	US\$ 2,059	US\$ 2,059	15,400	100.00	US\$ 6,116 (Note 1)	HK\$ 2,635	Not applicable	Subsidiary
	CDIB Capital International (USA) Corporation	United States of America	Private equity advisory services	US\$ 1,166	US\$ 1,166	8,000	100.00	US\$ 3,180 (Note 1)	US\$ 60	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Private equity advisory services	US\$ 150	US\$ 150	-	100.00	US\$ 13 (Note 1)	US\$ (7)	Not applicable	Subsidiary
	CDIB Intelligence Partners Limited (Note 2)	Cayman Islands	Private equity advisory services	-	-	-	100.00	-	-	Not applicable	Subsidiary
	CDIB Buyout Partners Limited	Cayman Islands	Private equity advisory services	US\$ 150	-	50	100.00	US\$ 122 (Note 1)	US\$ (7)	Not applicable	Subsidiary
	CDIB Asia Secured Credit Opportunities GP Ltd. (Note 3)	Cayman Islands	Private equity advisory services	-	-	-	100.00	-	US\$ (9)	Not applicable	Subsidiary

(Continued)

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

Note 2: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020.; however, it had not been injected any capital as of June 30, 2022.

Note 3: CDIB Asia Secured Credit Opportunities GP Ltd. conducted registration of establishment on September 9, 2021; however, it had not been injected any capital as of June 30, 2022.

(Concluded)

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2022
(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, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2022	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2022	Accumulated Inward Remittance of Earnings as of June 30, 2022
					Outflow	Inflow						
CDIB Private Equity (China) Corporation	Management and consulting	US\$ 7,000 thousand	Note 1,b,1)	US\$ 7,000 thousand	\$ -	\$ -	US\$ 7,000 thousand	\$ 6,930	100.00	\$ 6,930	\$ 281,958	\$ -
CDIB Private Equity (Fujian) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 3	-	-	-	-	5,926	70.00	4,148	57,813	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	1,469	70.00	1,028	34,382	-
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	Equity investment	CNY 560,000 thousand	Note 1,b,1),2)	CNY 350,000 thousand	-	-	CNY 350,000 thousand	144,535	-	51,015	760,104	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 7,000 thousand	Note 4	-	-	-	-	4,327	65.00	(2,813)	60,693	-
CPEC Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	(511)	65.00	(332)	34,442	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 793,367 thousand	Note 1,b,1),2)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	(38,713)	-	(11,748)	1,119,433	-
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	Equity investment	CNY 422,000 thousand	Note 1,b,1),2)	CNY 123,857 thousand	-	-	CNY 123,857 thousand	169,833	-	51,544	625,269	-
CDIB Private Equity (Kunshan) Corporation	Fund Management	CNY 3,000 thousand	Note 1,b,1)	-	-	-	-	(5,179)	100.00	(5,179)	6,013	-
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 1,b,1)	-	-	-	-	320	65.00	208	28,922	-

Accumulated Investment in Mainland China as of June 30, 2022	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$5,933,719	\$7,913,812	\$15,668,006

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 (Note 5).
- c. Other.

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

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

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

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

Note 5: CDIB Venture Capital Corporation's board of the directors on behalf of shareholder meeting on July 20, 2020, that 100% of the CDIB Venture Capital (Hong Kong) Corporation Limited holdings were transferred to CDIB Capital Group through physical capital reduction, and July 27, 2020 was set as the reference date for physical capital reduction.

CDIB CAPITAL GROUP AND SUBSIDIARIES

SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2022

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2022	December 31, 2021	June 30, 2021	
The Corporation	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	100.00	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	100.00	
	CDIB Global Markets Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment I Limited	Investment	100.00	100.00	100.00	
	CDIB Capital Investment II Limited	Investment	100.00	100.00	100.00	
	CDIB Capital International Corporation	Private equity advisory services	100.00	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory services	100.00	100.00	100.00	
	CDIB Capital International (USA) Corporation	Private equity advisory services	100.00	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory services	100.00	100.00	100.00	
	CDIB Intelligence Partners Limited	Private equity advisory services	100.00	100.00	100.00	Note 1
	CDIB Buyout Partners Limited	Private equity advisory services	100.00	100.00	100.00	
	CDIB Asia Secured Credit Opportunities GP Ltd.	Private equity advisory services	100.00	100.00	-	Note 2
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment Holdings	100.00	100.00	100.00	
	CDIB X Finance I Holding Limited	Investment	100.00	100.00	100.00	
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Investment	100.00	100.00	100.00	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CPEC Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	27.08	
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	56.00	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Fund management	70.00	70.00	70.00	
	CDIB Private Equity (Kunshan) Corporation	Fund management	100.00	100.00	-	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	-	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	20.00	20.00	20.00	
CDIB Yida Private Equity (Kunshan) Co., Ltd.	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	58.34	58.34	58.34	

Note 1: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020; however, it had not been injected any capital as of June 30, 2022.

Note 2: CDIB Asia Secured Credit Opportunities GP Ltd. conducted registration of establishment on September 9, 2021; however, it had not been injected any capital as of June 30, 2022.

CDIB CAPITAL GROUP AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2022
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
1	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenue	\$ 115,743	Note 4	11.43%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	115,743	Note 4	11.43%

Note 1: The consolidated entities are identified in the No. column as follows: Parent company - 0; subsidiaries - numbered from 1 by company.

Note 2: Transaction flows are as follows: (1) from parent to subsidiary; (2) from subsidiary to parent; and (3) between subsidiaries.

Note 3: The ratio is calculated as follows: For asset and liability accounts - Transaction amount in the ending period/Total consolidated assets; for income and expense accounts - Transaction amount in the midterm/Total consolidated net profit.

Note 4: The transaction criteria for related parties are similar to those for third parties.

Note 5: Transactions each amounted to at least NT\$100 million.