

CDIB Capital Group and Subsidiaries

**Consolidated Financial Statements for the
Six Months Ended June 30, 2023 and 2022 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, 2023, December 31, 2022 and June 30, 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the six months ended June 30, 2023 and 2022, 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, 2023, December 31, 2022 and June 30, 2022, and its consolidated financial performance and its consolidated cash flows for the six months ended June 30, 2023 and 2022, 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 the Standards on Auditing of 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, 2023. 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, 2023 is stated as follows:

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

Management uses a valuation model to calculate the fair value of financial instruments with no quoted market prices in an active market. Parameters used in the valuation model are unobservable inputs. Due to the fact that the inputs involve material managerial estimation and judgment, we identified the valuation as a key audit matter for the six months ended June 30, 2023.

Refer to Notes 4, 5 and 30 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 obtained an understanding of 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 reasonableness 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 Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation and 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 Standards on Auditing of 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 Standards on Auditing of 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, 2023 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 11, 2023

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 applied in the Republic of China.

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

CDIB CAPITAL GROUP AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2023		December 31, 2022		June 30, 2022	
ASSETS	Amount	%	Amount	%	Amount	%
CURRENT ASSETS						
Cash and cash equivalents (Notes 6, 28 and 30)	\$ 3,883,387	10	\$ 4,813,833	13	\$ 4,517,910	12
Other receivables (Notes 7, 28 and 30)	55,904	-	39,204	-	318,617	1
Current tax assets (Notes 26 and 28)	227,103	1	239,891	1	225,965	1
Other current assets	<u>54,695</u>	<u>-</u>	<u>47,161</u>	<u>-</u>	<u>49,101</u>	<u>-</u>
Total current assets	<u>4,221,089</u>	<u>11</u>	<u>5,140,089</u>	<u>14</u>	<u>5,111,593</u>	<u>14</u>
NON-CURRENT ASSETS						
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10, 28 and 30)	21,716,366	57	19,599,059	55	18,066,548	51
Financial assets at amortized cost - non-current (Notes 4 and 30)	2,094,832	5	1,424,049	4	1,216,143	3
Investments accounted for using the equity method (Notes 9 and 10)	9,222,961	24	8,543,715	24	8,522,796	24
Property and equipment (Note 11)	260,841	1	260,852	1	309,865	1
Right-of-use assets (Note 12)	727,257	2	765,186	2	795,571	2
Investment properties (Note 13)	78,700	-	79,350	-	264,506	1
Other non-current assets (Notes 14, 28 and 30)	<u>112,318</u>	<u>-</u>	<u>107,668</u>	<u>-</u>	<u>1,479,786</u>	<u>4</u>
Total non-current assets	<u>34,213,275</u>	<u>89</u>	<u>30,779,879</u>	<u>86</u>	<u>30,655,215</u>	<u>86</u>
TOTAL	<u>\$ 38,434,364</u>	<u>100</u>	<u>\$ 35,919,968</u>	<u>100</u>	<u>\$ 35,766,808</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Notes 15 and 30)	\$ 4,822,645	13	\$ 3,940,762	11	\$ 4,711,630	13
Other payables (Notes 16, 28 and 30)	2,004,778	5	1,570,602	5	1,460,848	4
Current tax liabilities (Notes 26 and 28)	728,961	2	686,936	2	681,489	2
Lease liabilities - current (Notes 12 and 28)	101,476	-	96,142	-	83,872	-
Other current liabilities (Note 28)	<u>120,760</u>	<u>-</u>	<u>97,402</u>	<u>-</u>	<u>167,256</u>	<u>1</u>
Total current liabilities	<u>7,778,620</u>	<u>20</u>	<u>6,391,844</u>	<u>18</u>	<u>7,105,095</u>	<u>20</u>
NON-CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 8 and 30)	1,761	-	-	-	-	-
Provisions - non-current (Notes 17 and 18)	60,926	-	64,682	-	113,945	-
Deferred tax liabilities (Note 26)	269,144	1	245,418	1	189,404	1
Lease liabilities - non-current (Notes 12 and 28)	673,812	2	710,639	2	758,497	2
Other non-current liabilities (Notes 19 and 30)	<u>4,910</u>	<u>-</u>	<u>7,787</u>	<u>-</u>	<u>1,384,564</u>	<u>4</u>
Total non-current liabilities	<u>1,010,553</u>	<u>3</u>	<u>1,028,526</u>	<u>3</u>	<u>2,446,410</u>	<u>7</u>
Total liabilities	<u>8,789,173</u>	<u>23</u>	<u>7,420,370</u>	<u>21</u>	<u>9,551,505</u>	<u>27</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 20)						
Capital	20,411,159	53	20,411,159	57	20,411,159	57
Capital surplus (Note 21)	697,418	2	661,702	2	616,737	2
Retained earnings						
Legal reserve	6,212,141	16	6,212,141	17	6,212,141	17
Special reserve	7,450	-	495,961	2	512,146	1
Unappropriated earnings (accumulated deficit)	1,592,710	4	449,296	1	(800,550)	(2)
Other equity	<u>622,092</u>	<u>2</u>	<u>166,539</u>	<u>-</u>	<u>(838,289)</u>	<u>(2)</u>
Total equity attributable to owners of the parent	29,542,970	77	28,396,798	79	26,113,344	73
NON-CONTROLLING INTERESTS	<u>102,221</u>	<u>-</u>	<u>102,800</u>	<u>-</u>	<u>101,959</u>	<u>-</u>
Total equity	<u>29,645,191</u>	<u>77</u>	<u>28,499,598</u>	<u>79</u>	<u>26,215,303</u>	<u>73</u>
TOTAL	<u>\$ 38,434,364</u>	<u>100</u>	<u>\$ 35,919,968</u>	<u>100</u>	<u>\$ 35,766,808</u>	<u>100</u>

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			
	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE				
Share of profit or loss of associates and joint ventures	\$ 676,331	26	\$ (720,978)	(71)
Gain (loss) on financial assets and liabilities measured at fair value through profit or loss (Note 22)	1,637,333	63	(595,448)	(59)
Consulting service revenue (Note 28)	<u>282,054</u>	<u>11</u>	<u>303,659</u>	<u>30</u>
Total operating revenue	<u>2,595,718</u>	<u>100</u>	<u>(1,012,767)</u>	<u>(100)</u>
OPERATING COSTS				
Expected credit loss	<u>40,875</u>	<u>2</u>	<u>76,254</u>	<u>7</u>
GROSS PROFIT (LOSS)	<u>2,554,843</u>	<u>98</u>	<u>(1,089,021)</u>	<u>(107)</u>
OPERATING EXPENSES (Notes 18, 21, 23, 24 and 28)	<u>910,756</u>	<u>35</u>	<u>595,740</u>	<u>59</u>
PROFIT (LOSS) FROM OPERATIONS	<u>1,644,087</u>	<u>63</u>	<u>(1,684,761)</u>	<u>(166)</u>
NON-OPERATING INCOME AND EXPENSES				
Foreign exchange loss, net	(65,080)	(2)	(85,401)	(8)
Interest income (Note 28)	187,212	7	128,589	13
Finance costs (Note 28)	(48,392)	(2)	(16,146)	(2)
Other gains and losses (Note 25)	<u>15,445</u>	<u>1</u>	<u>11,925</u>	<u>1</u>
Total non-operating income and expenses	<u>89,185</u>	<u>4</u>	<u>38,967</u>	<u>4</u>
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	1,733,272	67	(1,645,794)	(162)
INCOME TAX BENEFIT (EXPENSE) (Note 26)	<u>(105,171)</u>	<u>(4)</u>	<u>71,949</u>	<u>7</u>
NET PROFIT (LOSS) FOR THE PERIOD	<u>1,628,101</u>	<u>63</u>	<u>(1,573,845)</u>	<u>(155)</u>
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	172,600	7	(1,034,573)	(102)

(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			
	2023		2022	
	Amount	%	Amount	%
Items that will be reclassified subsequently to profit or loss, net of income tax				
Exchange differences on translation of financial statements of foreign operations	\$ 180,576	7	\$ 1,160,001	114
Gain (loss) on debt instruments measured at fair value through other comprehensive income	-	-	(160)	-
Share of the other comprehensive income (loss) of associates and joint ventures	<u>67,241</u>	<u>2</u>	<u>360,601</u>	<u>36</u>
Other comprehensive income (loss) for the period, net of income tax	<u>420,417</u>	<u>16</u>	<u>485,869</u>	<u>48</u>
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD	<u>\$ 2,048,518</u>	<u>79</u>	<u>\$ (1,087,976)</u>	<u>(107)</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	\$ 1,625,057	63	\$ (1,578,253)	(156)
Non-controlling interests	<u>3,044</u>	<u>-</u>	<u>4,408</u>	<u>1</u>
	<u>\$ 1,628,101</u>	<u>63</u>	<u>\$ (1,573,845)</u>	<u>(155)</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
Shareholder of parent company	\$ 2,048,263	79	\$ (1,094,400)	(108)
Non-controlling interests	<u>255</u>	<u>-</u>	<u>6,424</u>	<u>1</u>
	<u>\$ 2,048,518</u>	<u>79</u>	<u>\$ (1,087,976)</u>	<u>(107)</u>
EARNINGS (LOSS) PER SHARE (Note 27)				
Basic	<u>\$ 0.80</u>		<u>\$ (0.77)</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	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			
			Legal Reserve	Special Reserve	Unappropriated Earnings (Accumulated Deficit)					
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	<u>\$ 20,411,159</u>	<u>\$ 616,737</u>	<u>\$ 6,212,141</u>	<u>\$ 512,146</u>	<u>\$ (800,550)</u>	<u>\$ (1,809,974)</u>	<u>\$ 971,685</u>	<u>\$ 26,113,344</u>	<u>\$ 101,959</u>	<u>\$ 26,215,303</u>
BALANCE AT JANUARY 1, 2023	\$ 20,411,159	\$ 661,702	\$ 6,212,141	\$ 495,961	\$ 449,296	\$ (1,092,467)	\$ 1,259,006	\$ 28,396,798	\$ 102,800	\$ 28,499,598
Appropriation of the 2022 earnings										
Cash dividends - NT\$0.46 per share	-	-	-	-	(937,807)	-	-	(937,807)	-	(937,807)
Special reserve reversed	-	-	-	(488,511)	488,511	-	-	-	-	-
	-	-	-	(488,511)	(449,296)	-	-	(937,807)	-	(937,807)
Net profit for the six months ended June 30, 2023	-	-	-	-	1,625,057	-	-	1,625,057	3,044	1,628,101
Other comprehensive income (loss) for the six months ended June 30, 2023, net income tax	-	-	-	-	-	250,606	172,600	423,206	(2,789)	420,417
Total comprehensive income (loss) for the six months ended June 30, 2023	-	-	-	-	1,625,057	250,606	172,600	2,048,263	255	2,048,518
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	24,304	-	-	-	-	-	24,304	-	24,304
Share-based payment	-	11,412	-	-	-	-	-	11,412	-	11,412
Changes in non-controlling interest	-	-	-	-	-	-	-	-	(834)	(834)
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(32,347)	-	32,347	-	-	-
BALANCE AT JUNE 30, 2023	<u>\$ 20,411,159</u>	<u>\$ 697,418</u>	<u>\$ 6,212,141</u>	<u>\$ 7,450</u>	<u>\$ 1,592,710</u>	<u>\$ (841,861)</u>	<u>\$ 1,463,953</u>	<u>\$ 29,542,970</u>	<u>\$ 102,221</u>	<u>\$ 29,645,191</u>

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	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net profit (loss) before income tax	\$ 1,733,272	\$ (1,645,794)
Adjustments for reconciliation of net profit (loss)		
Depreciation expense	68,296	59,898
Amortization expense	2,076	801
Expected credit loss	40,875	76,254
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(1,558,496)	673,441
Interest expense	48,392	16,146
Interest income	(187,212)	(128,589)
Dividend income	(76,842)	(73,985)
Share-based payment	18,997	22,790
Share of profit or loss of associates and joint ventures	(675,695)	721,569
Others	(125)	-
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(254,151)	567,438
Other receivables	(22,384)	2,580,639
Other current assets	7,034	(8,945)
Other financial assets	25,423	44,817
Other operating assets	(1,729)	(7,040)
Other payables	424,332	(1,442,022)
Other current liabilities	24,594	61,607
Other operating liabilities	(5,081)	5,292
Cash generated from (used in) operations	(388,424)	1,524,317
Interest received	202,171	118,428
Dividends received	72,672	55,462
Interest paid	(48,003)	(15,051)
Income tax paid	(50,082)	(45,978)
Net cash generated from (used in) operating activities	(211,666)	1,637,178
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	(700,460)	(372,230)
Acquisition of financial assets designated as at fair value through profit or loss	(235,220)	(1,580,772)
Proceeds from sale of financial assets designated as at fair value through profit or loss	112,117	-
Acquisition of investments accounted for using the equity method	-	(21,317)
Proceeds from capital reduction of investments accounted for using the equity method	219,051	245,721

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CDIB CAPITAL GROUP AND SUBSIDIARIES

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

	For the Six Months Ended June 30	
	2023	2022
Acquisition of property and equipment	\$ (10,302)	\$ (16,210)
Others	<u>(306)</u>	<u>(1,699)</u>
Net cash used in investing activities	<u>(615,120)</u>	<u>(1,646,507)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	881,883	4,213,797
Repayment of the principal portion of lease liabilities	(51,615)	(46,486)
Cash dividends paid	<u>(938,642)</u>	<u>(8,006,643)</u>
Net cash used in financing activities	<u>(108,374)</u>	<u>(3,839,332)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>4,714</u>	<u>229,302</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(930,446)	(3,619,359)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>4,813,833</u>	<u>8,137,269</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 3,883,387</u>	<u>\$ 4,517,910</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, 2023 AND 2022 (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 (TWSE) after the aforementioned share swap transaction and the Corporation’s shares were delisted from TWSE 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 were 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 11, 2023.

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 in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024
Amendments to IAS 12 “International Tax Reform - Pillar Two Model Rules”	Note 3

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The requirement that the Group apply the exception and the requirement to disclose that fact are applied immediately upon issuance of the amendments and retrospectively in accordance with IAS 8. The remaining disclosure requirements apply for annual reporting periods beginning on or after January 1, 2023, but not for any interim period ending on or before December 31, 2023.

- 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 contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Corporation and 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 does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the 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” (referred to as the “2020 amendments”) and “Non-current Liabilities with Covenants” (referred to as the “2022 amendments”)

The 2020 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 exist 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 2020 amendments also stipulate 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 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Corporation and its subsidiaries shall disclose information that enables users of financial statements to understand the risk of the Corporation and its subsidiaries which may have difficulty complying with the covenants and repaying its liabilities within twelve months after the reporting period.

The 2020 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 an 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.

- 3) Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”

The amendments clarify that the liability that arises from a sale and leaseback transaction - that satisfies the requirements in IFRS 15 to be accounted for as a sale - is a lease liability to which IFRS 16 applies. However, if the lease in a leaseback that includes variable lease payments that do not depend on an index or rate, the seller-lessee shall measure lease liabilities arising from a leaseback such a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The seller-lessee subsequently recognizes in profit or loss the difference between the payments made for the lease and the lease payments that reduce the carrying amount of the lease 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 of 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 MATERIAL ACCOUNTING POLICY INFORMATION

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 which 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 intra-group transactions, balances, income and expenses are 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, 2023, December 31, 2022 and June 30, 2022, the consolidated entities included in the consolidated financial statements included 27, 26 and 26 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 30.

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.

Other Material Accounting Policies

Except for the following, the accounting policies applied in these consolidated financial statements are consistent with those applied in the consolidated financial statements for the year ended December 31, 2022.

a. Retirement benefit

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.

b. Income tax expense

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. MATERIAL 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 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. Parameters used in valuation model are unobservable inputs, which involve material managerial estimation and judgment.

6. CASH AND CASH EQUIVALENTS

	June 30, 2023	December 31, 2022	June 30, 2022
Cash on hand	\$ 20	\$ 20	\$ 19
Checking accounts and demand deposits	2,019,543	1,087,930	1,327,090
Cash equivalent			
Time deposits	<u>1,863,824</u>	<u>3,725,883</u>	<u>3,190,801</u>
	<u>\$ 3,883,387</u>	<u>\$ 4,813,833</u>	<u>\$ 4,517,910</u>

7. OTHER RECEIVABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Receivable from securities sold	\$ 193,652	\$ 190,696	\$ 235,114
Interest receivable	159,318	167,310	151,093
Accrued incomes	17,263	4,080	221,646
Others	<u>29,089</u>	<u>16,081</u>	<u>39,480</u>
	399,322	378,167	647,333
Less: Allowance for other receivables	<u>(343,418)</u>	<u>(338,963)</u>	<u>(328,716)</u>
	<u>\$ 55,904</u>	<u>\$ 39,204</u>	<u>\$ 318,617</u>

On the balance sheet date, the corporation and its subsidiaries have made appropriate allowances for losses based on the overall economic environment and the assessment of the conditions for receivables to be met.

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

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
Financial assets mandatorily classified as at FVTPL			
Non-designated hedge derivatives			
Cross-currency swap contracts	\$ 39,265	\$ 15,982	\$ 38,153
Non-derivative financial assets			
Stocks	8,688,818	8,941,436	7,917,677
Partnership funds	3,555,376	2,729,901	2,777,433
Others	<u>890,581</u>	<u>880,069</u>	<u>894,735</u>
	<u>13,174,040</u>	<u>12,567,388</u>	<u>11,589,845</u>
<u>Financial assets designated as at FVTPL</u>			
Associates	3,848,182	3,248,852	3,196,386
Joint ventures	<u>4,694,144</u>	<u>3,782,819</u>	<u>3,242,164</u>
	<u>8,542,326</u>	<u>7,031,671</u>	<u>6,438,550</u>
Financial assets at FVTPL	<u>\$ 21,716,366</u>	<u>\$ 19,599,059</u>	<u>\$ 18,066,548</u>

(Continued)

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Financial liabilities</u>			
<u>Financial liabilities held for trading</u>			
Non-designated hedge derivatives			
Cross-currency swap contracts	\$ 1,761	\$ -	\$ - (Concluded)

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

June 30, 2023

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD7,323	March 31, 2024	0.6666 (AUD/USD)	The annual interest rate of AUD BBSY 3m (BID rate) + 4.95%	8.31%
USD19,246	May 26, 2025	1,168.95 (USD/KRW)	12.35%	Fixed rate
USD1,000	May 26, 2025	1,166.50 (USD/KRW)	12.35%	12.10%

December 31, 2022

Contract Amount (In Thousands)	Maturity Date	Exchange Rate	Payment Ratio	Collection Ratio
USD6,322	May 26, 2023	1,112 (USD/KRW)	8.90%	Fixed rate
USD13,283	May 26, 2025	1,168.95 (USD/KRW)	12.35%	Fixed rate
USD1,000	May 26, 2025	1,166.50 (USD/KRW)	12.35%	12.10%

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%	Fixed rate
USD6,243	May 26, 2025	1,168.95 (USD/KRW)	12.35%	Fixed rate
USD1,000	May 26, 2025	1,166.50 (USD/KRW)	12.35%	12.10%

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, 2023	December 31, 2022	June 30, 2022
CDIB & Partners Investment Holding Corp.	\$ 4,540,499	\$ 3,941,385	\$ 3,699,000
CDIB Capital Asia Partners L.P.	2,185,209	1,997,018	2,185,310
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,048,503	1,129,645	1,119,433
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	788,573	781,692	760,104
CDIB Capital Health Ventures Limited	403,786	444,233	470,702
CDIB Capital Creative Industries Limited	225,488	217,986	239,116
Others	<u>30,903</u>	<u>31,756</u>	<u>49,131</u>
	<u>\$ 9,222,961</u>	<u>\$ 8,543,715</u>	<u>\$ 8,522,796</u>

As of June 30, 2023, December 31, 2022 and June 30, 2022, associates and joint ventures that are not individually material listed on financial assets designated as at FVTPL were \$8,542,326 thousand, \$7,031,671 thousand and \$6,438,550 thousand, respectively.

Investments accounted for using the equity method and the Corporation and its subsidiaries' share of profit and other comprehensive income of CDIB & Partners Investment Holding Corporation are 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 even though 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, 2023	December 31, 2022	June 30, 2022
Partnership funds investment			
Financial assets at FVTPL	\$ 3,555,376	\$ 2,729,901	\$ 2,777,433
Maximum exposure	3,555,376	2,729,901	2,777,433

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, 2023	December 31, 2022	June 30, 2022
Partnership funds management			
Total assets	\$ 28,909,177	\$ 26,575,456	\$ 26,358,663
Total liabilities	10,634	31,071	117,410
Investments accounted for using the equity method	4,022,285	3,908,355	4,064,847
Financial assets designated as at FVTPL	3,281,034	2,675,430	3,296,774
Maximum exposure	7,303,319	6,583,785	7,361,621

11. PROPERTY AND EQUIPMENT

	June 30, 2023	December 31, 2022	June 30, 2022
Land	\$ 51,099	\$ 51,099	\$ 92,054
Buildings and facilities	74,242	75,802	83,916
Computer equipment	11,998	14,092	16,058
Leasehold improvements	96,399	92,044	79,746
Other equipment	<u>25,524</u>	<u>27,815</u>	<u>21,672</u>
	259,262	260,852	293,446
Prepayments for acquisition of properties	<u>1,579</u>	<u>-</u>	<u>16,419</u>
	<u>\$ 260,841</u>	<u>\$ 260,852</u>	<u>\$ 309,865</u>

Except for depreciation recognized, the Corporation and its subsidiaries had no significant addition, disposal and impairment of property and equipment during the six months ended June 30, 2023 and 2022.

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, 2023	December 31, 2022	June 30, 2022
Carrying amount			
Buildings and facilities	\$ 722,429	\$ 758,510	\$ 790,011
Transportation equipment	3,504	5,100	3,822
Computer equipment	<u>1,324</u>	<u>1,576</u>	<u>1,738</u>
	<u>\$ 727,257</u>	<u>\$ 765,186</u>	<u>\$ 795,571</u>
		For the Six Months Ended June 30	
		2023	2022
Additions to right-of-use assets		<u>\$ 19,292</u>	<u>\$ 63,342</u>
Depreciation expense of right-of-use assets			
Buildings and facilities		\$ 54,792	\$ 44,790
Transportation equipment		1,579	1,236
Computer equipment		<u>242</u>	<u>3,606</u>
		<u>\$ 56,613</u>	<u>\$ 49,632</u>

b. Lease liabilities

	June 30, 2023	December 31, 2022	June 30, 2022
Carrying amount			
Current	<u>\$ 101,476</u>	<u>\$ 96,142</u>	<u>\$ 83,872</u>
Non-current	<u>\$ 673,812</u>	<u>\$ 710,639</u>	<u>\$ 758,497</u>
		For the Six Months Ended June 30	
		2023	2022
Interest expense		<u>\$ 3,753</u>	<u>\$ 3,660</u>

Range of discount rates for lease liabilities were as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Buildings and facilities	0.57%-1.95%	0.57%-1.95%	0.57%-1.01%
Computer equipment	0.61%-1.61%	0.61%-1.61%	0.61%-1.07%
Transportation equipment	0.65%-1.44%	0.65%-1.44%	0.61%-0.73%

The maturity analysis of lease liabilities was as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Not later than 1 year	\$ 104,595	\$ 99,371	\$ 85,774
Later than 1 year and not later than 5 years	254,932	266,979	272,730
Later than 5 years	<u>456,377</u>	<u>483,499</u>	<u>520,648</u>
	<u>\$ 815,904</u>	<u>\$ 849,849</u>	<u>\$ 879,152</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 buildings and facilities for the use of office 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	
	2023	2022
Expenses relating to short-term leases	<u>\$ 852</u>	<u>\$ 4,530</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 177</u>	<u>\$ -</u>
Total cash outflow for leases	<u>\$ 56,330</u>	<u>\$ 54,854</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, 2023	December 31, 2022	June 30, 2022
Land	\$ 45,009	\$ 45,009	\$ 152,270
Buildings and facilities	<u>33,691</u>	<u>34,341</u>	<u>112,236</u>
	<u>\$ 78,700</u>	<u>\$ 79,350</u>	<u>\$ 264,506</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, 2023 and 2022.

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, 2023, December 31, 2022 and June 30, 2022 were \$133,802 thousand, \$133,802 thousand and \$502,437 thousand, respectively. The fair values of investment properties were based on external valuation reports as of the year 2021. After evaluating, the Corporation and its subsidiaries determined that the fair values reported as of the year 2021 were still valid. Sales comparison approach and income approach were adopted in the valuation reports as of 2021. 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.

In order to avoid idle assets and improve the efficiency of capital utilization, the Corporation obtained the external valuation report and sold the properties located in Nangang District, Taipei City and Kaohsiung City to China Life Insurance Co., Ltd. and an external buyer for \$343,000 thousand and \$98,000 thousand, respectively, and recognized disposal gains of \$193,303 thousand and \$10,285 thousand, respectively, on November 2022.

The Corporation and its subsidiaries' investment properties are mainly leased buildings with lease terms of 1 to 8 years.

The maturity analysis of lease payments receivable under operating leases of investment properties as of June 30, 2023, December 31, 2022 and June 30, 2022 is as follows:

	June 30, 2023	December 31, 2022	June 30, 2022
Year 1	\$ 3,511	\$ 3,274	\$ 13,571
Year 2	3,404	3,240	4,319
Year 3	3,437	3,240	3,240
Year 4	1,146	2,700	3,240
Year 5	-	-	1,080
Year 5 onwards	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 11,498</u>	<u>\$ 12,454</u>	<u>\$ 25,450</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, 2023	December 31, 2022	June 30, 2022
Guarantee deposits paid	\$ 49,778	\$ 53,247	\$ 49,225
Deferred tax assets	45,568	37,984	15,313
Computer software	16,476	14,445	5,945
Restricted assets	-	-	1,405,758
Others	<u>496</u>	<u>1,992</u>	<u>3,545</u>
	<u>\$ 112,318</u>	<u>\$ 107,668</u>	<u>\$ 1,479,786</u>

The restricted assets on June 30, 2022 was \$1,374,658 thousand (approximately RMB309,629 thousand) which is the investment fund collected on behalf of CCAP Tutwo Holdings (Hong Kong) Limited by CDIB's subsidiary.

15. SHORT-TERM BORROWINGS

	June 30, 2023	December 31, 2022	June 30, 2022
Short-term credit borrowings	<u>\$ 4,822,645</u>	<u>\$ 3,940,762</u>	<u>\$ 4,711,630</u>
Range of rate	1.90%-6.25%	1.55%-5.06%	1.08%-3.02%
Last maturity date	August 2023	January 2023	December 2022

16. OTHER PAYABLES

	June 30, 2023	December 31, 2022	June 30, 2022
Accrued expenses	\$ 1,645,501	\$ 1,552,152	\$ 1,427,334
Payable on securities purchased	221,827	-	-
Collection payable	116,984	6,795	4,851
Others	<u>20,466</u>	<u>11,655</u>	<u>28,663</u>
	<u>\$ 2,004,778</u>	<u>\$ 1,570,602</u>	<u>\$ 1,460,848</u>

17. PROVISIONS - NON-CURRENT

	June 30, 2023	December 31, 2022	June 30, 2022
Provisions for employee benefits	\$ 56,612	\$ 59,005	\$ 110,873
Others	<u>4,314</u>	<u>5,677</u>	<u>3,072</u>
	<u>\$ 60,926</u>	<u>\$ 64,682</u>	<u>\$ 113,945</u>

18. RETIREMENT BENEFIT PLANS

The Corporation and its subsidiaries' retirement plans consist of defined contribution and defined benefit plans. For the defined benefit plan, employee benefit expenses were calculated using the actuarially determined pension cost discount rates and recognized as of December 31, 2022 and 2021, respectively.

For the six months ended June 30, 2023 and 2022, the Corporation and its subsidiaries (a) recognized under the defined benefit plans as pension expenses (recognized as operating expenses) of \$2,313 thousand and \$1,677 thousand, respectively, and (b) recognized under the defined contribution plans as pension expenses (recognized as operating expenses) of \$4,750 thousand and \$4,800 thousand, respectively.

19. OTHER NON-CURRENT LIABILITIES

	June 30, 2023	December 31, 2022	June 30, 2022
Guarantee deposits received	\$ 2,065	\$ 4,982	\$ 7,189
Collection payable	-	-	1,374,658
Others	<u>2,845</u>	<u>2,805</u>	<u>2,717</u>
	<u>\$ 4,910</u>	<u>\$ 7,787</u>	<u>\$ 1,384,564</u>

Collection payable on June 30, 2022 was \$1,374,658 thousand (approximately RMB309,629 thousand) which is 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, 2023	December 31, 2022	June 30, 2022
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, 2023	December 31, 2022	June 30, 2022
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	68,801	44,497	13,222
Share-based payments awards	52,343	40,931	27,241
Arising from donations	<u>20</u>	<u>20</u>	<u>20</u>
	<u>\$ 697,418</u>	<u>\$ 661,702</u>	<u>\$ 616,737</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. Any special reserve appropriated may be reversed to the extent of the decrease in the net debit balance.

For the appropriation of earnings, the Corporation recognized or reversed special reserve, under No. 1010012865 and No. 1090150022 issued by the FSC, and the Questions and Answers on Special Reserves Appropriated Following Adoption of IFRSs.

d. Appropriation of earnings

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

If there is a surplus in the annual final accounts of the Corporation, the Corporation 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 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 2022 earnings was as follows:

	2022
Special reserve reversed	\$ (488,511)
Cash dividends (NT\$0.46 per share)	937,807

The above 2022 appropriation for cash dividends was approved by the board of directors on May 24, 2023. Appropriation of the 2022 earnings was resolved by the board of directors on behalf of the shareholder's meeting on May 24, 2023. The board of directors reported the cash dividend case on behalf of the shareholders' meeting on June 30, 2023.

Appropriation of the 2021 earnings was 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

The above distribution of cash dividends was resolved by the board of directors on March 31, 2022, and the board of directors reported on behalf of the shareholders' meeting on May 20, 2022.

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. SHARE-BASED PAYMENT ARRANGEMENTS

On November 19, 2021, the board of directors of the Company's parent company decided to issue restricted shares for \$1,099,910 thousand in total, with a par value of \$10 per share, i.e., a total of 109,991 thousand shares at an issue price of \$0. Further, the board of directors made December 1, 2021 the record date for the issuance of shares.

The vesting portion of shares was measured according to the achievement of the performance indicators, and the vesting rate of the shares is 40%, 30% and 30% in installments. Employees who have not met the vesting conditions cannot sell, pledge, transfer, donate, ask the Corporation to buy them back or in any other way dispose of these shares except by inheritance. Besides, employees do not have preemptive rights when capital increases but do share the same rights as those of issued common stock of the Company's parent company (which includes but is not limited to cash dividends, stock dividends, capital decrease, capital surplus cash (stock) or any rights that originate from legal subjects such as consolidation, split or stock exchange, which we call "allocated rights" thereafter). Allocated rights have to be in the trust before meeting the vesting conditions.

After the restricted shares are allocated to employees, the parent company will retrieve and cancel the stock with no reimbursement if the vesting conditions are not met. The parent company will also retrieve the allocated rights at the rate of shares of vesting conditions not met divided by shares allocated, with no reimbursement. If the stocks are retrieved, they shall be cancelled in each year of the vesting period.

For the six months ended June 30, 2023 and 2022, the Corporation and its subsidiaries recognized \$18,997 thousand and \$22,790 thousand as compensation costs, respectively.

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

	For the Six Months Ended June 30	
	2023	2022
Bond	\$ 693,587	\$ (6,738)
Stock	498,846	(606,016)
Partnership funds	15,189	60,182
Others	<u>429,711</u>	<u>(42,876)</u>
	<u>\$ 1,637,333</u>	<u>\$ (595,448)</u>

For the six months ended June 30, 2023 and 2022, the realized gain or loss on the Corporation and its subsidiaries' financial assets and liabilities at FVTPL included dividend income of \$76,842 thousand and \$73,985 thousand, respectively.

23. DEPRECIATION AND AMORTIZATION

	For the Six Months Ended June 30	
	2023	2022
Property and equipment	\$ 10,525	\$ 7,811
Right-of-use asset	56,613	49,632
Investment property	1,158	2,455
Other non-current assets	<u>2,076</u>	<u>801</u>
	<u>\$ 70,372</u>	<u>\$ 60,699</u>
An analysis of depreciation by function		
Operating expenses	\$ 67,138	\$ 57,443
Non-operating expenses	<u>1,158</u>	<u>2,455</u>
	<u>\$ 68,296</u>	<u>\$ 59,898</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 2,076</u>	<u>\$ 801</u>

24. EMPLOYEE BENEFITS

	For the Six Months Ended June 30	
	2023	2022
Employee benefit expense		
Salaries and wages	\$ 622,480	\$ 365,109
Employee insurance	24,096	26,522
Pension	7,063	6,477
Others	<u>32,382</u>	<u>16,125</u>
	<u>\$ 686,021</u>	<u>\$ 414,233</u>
An analysis by function		
Operating expense	<u>\$ 686,021</u>	<u>\$ 414,233</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, 2023 and 2022, the compensation of employees was \$16,686 thousand and \$0, respectively.

For the year ended December 31, 2021, 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, 2022, 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, 2022 and 2021.

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>).

25. OTHER GAINS AND LOSSES

	For the Six Months Ended June 30	
	2023	2022
Other revenue	\$ 15,849	\$ 8,072
Rent revenue	1,715	6,578
Other loss	<u>(2,119)</u>	<u>(2,725)</u>
	<u>\$ 15,445</u>	<u>\$ 11,925</u>

26. INCOME TAX

a. Income tax benefit (expense)

	For the Six Months Ended June 30	
	2023	2022
Current income tax		
Current period	\$ (89,211)	\$ (7,074)
Adjustments for prior year	(388)	89,058
Additional tax of unappropriated earnings	<u>-</u>	<u>(37,292)</u>
	(89,599)	44,692
Deferred income tax	<u>(15,572)</u>	<u>27,257</u>
Income tax benefit (expense)	<u>\$ (105,171)</u>	<u>\$ 71,949</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, 2023	December 31, 2022	June 30, 2022
Tax charged from the parent company	<u>\$ 219,850</u>	<u>\$ 219,850</u>	<u>\$ 219,850</u>
Tax paid to the parent company	<u>\$ 616,148</u>	<u>\$ 582,962</u>	<u>\$ 569,112</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 2017 have been examined by the tax authorities.

Income tax returns of CDIB Capital Management Corp., CDIB Capital Innovation Advisors Corporation and CDIB Venture Capital Corporation through 2021 have been examined by the tax authorities.

27. 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, 2023</u>			
Net profit attributable to shareholder of parent company	<u>\$ 1,625,057</u>	<u>2,041,116</u>	<u>\$ 0.80</u>
<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>

28. 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
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, 2023</u>	
KGI Commercial Bank Co., Ltd.	\$ 3,198,509
Subsidiary of the parent company	88
<u>December 31, 2022</u>	
KGI Commercial Bank Co., Ltd.	2,701,839
Subsidiary of the parent company	61
<u>June 30, 2022</u>	
KGI Commercial Bank Co., Ltd.	2,050,187
Subsidiary of the parent company	56

For the six months ended June 30, 2023 and 2022, the interest income from cash in bank were \$23,619 thousand and \$9,170 thousand, respectively.

b. Accrued income (recognized as other receivables)

	Amount
<u>June 30, 2023</u>	
Associate	\$ 19
<u>December 31, 2022</u>	
Associate	103
Other related parties	148
<u>June 30, 2022</u>	
CDIB & Partners Investment Holding Corp.	156,600
Associate	6
Other related parties	11,640

c. Other receivables - others

	Amount
<u>June 30, 2023</u>	
Associate	\$ 5,312
Other related parties	9,717
<u>December 31, 2022</u>	
Associate	1,382
Other related parties	5,040
<u>June 30, 2022</u>	
Associate	1,115
Other related parties	14,766

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

	June 30, 2023	December 31, 2022	June 30, 2022
Parent company	\$ 219,850	\$ 219,850	\$ 219,850

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

e. Acquisition of financial assets FVTPL

	Underlying Assets	Purchase Price
<u>For the six months ended June 30, 2023</u>		
China Life Insurance Co., Ltd.	12 partnership funds	\$ 1,005,984

f. Lease agreements (as a lessee)

	June 30, 2023	December 31, 2022	June 30, 2022
<u>Lease liability</u>			
China Life Insurance Co., Ltd. Subsidiary of the parent company	\$ 685,631 2,988	\$ 709,533 5,766	\$ 771,068 504
		For the Six Months Ended June 30	
		2023	2022

Interest expense

China Life Insurance Co., Ltd. Subsidiary of the parent company	\$ 3,208 27	\$ 3,451 2
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The above rental fee was determined equivalent with the market price and paid monthly/quarterly.

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

	June 30, 2023	December 31, 2022	June 30, 2022
Subsidiary of the parent company	\$ 15,044	\$ 15,044	\$ 14,375

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

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

i. Payable on securities purchased

	June 30, 2023
China Life Insurance Co., Ltd.	\$ 221,827

j. Other payables

	June 30, 2023	December 31, 2022	June 30, 2022
CCAP Tutwo Holdings (Hong Kong) Limited	\$ -	\$ -	\$ 1,374,658
Associate	7,980	-	-
Other related parties	106,933	4,020	4,020

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

	June 30, 2023	December 31, 2022	June 30, 2022
Parent company	\$ 616,148	\$ 582,962	\$ 569,112

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

l. Advance receipts (recognized as other current liabilities)

	Amount
<u>June 30, 2023</u>	
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	\$ 49,203
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	24,963
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,338
CDIB Capital Growth Partners L.P.	17,644
Other related parties	4,202
<u>December 31, 2022</u>	
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	19,529
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,120
CDIB Capital Growth Partners L.P.	18,518
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	16,844
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	15,829
Other related parties	4,152
<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

m. Consulting service revenue

	Amount
<u>For the six months ended June 30, 2023</u>	
CDIB Capital Asia Partners L.P.	\$ 69,356
CDIB Capital Healthcare Ventures II (Limited Partnership)	29,272
CDIB Capital Growth Partners L.P.	25,847
CDIB Capital Global Opportunities Fund L.P.	18,183
Subsidiary of the parent company	9,169
Associate	87,273
Other related parties	32,918
<u>For the six months ended June 30, 2022</u>	
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
Subsidiary of the parent company	8,628
Associate	23,648
Other related parties	90,685

n. Non-maturity derivative financial instrument

June 30, 2023

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	2021/08/26-2025/05/26	\$ 630,357	\$ 22,636	Financial assets at FVTPL	\$ 39,265
Subsidiary of the parent company	Cross-currency swap contract	2023/03/31-2024/03/31	228,005	(1,729)	Financial liabilities at FVTPL	1,761

December 31, 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	\$ 632,763	\$ 27,845	Financial assets at FVTPL	\$ 15,982

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

o. Remuneration of key management personnel

	For the Six Months Ended June 30	
	2023	2022
Salary and short-term benefits	\$ 96,525	\$ 67,748
Share-based payment	3,722	2,516
Post-employment benefits	<u>113</u>	<u>713</u>
	<u>\$ 100,360</u>	<u>\$ 70,977</u>

29. CAPITAL RISK MANAGEMENT

The main objective of the Corporation and its subsidiaries in capital management is to maintain a healthy 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.

30. 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, 2023

	(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	\$ 1,824,747	\$ 148,672	\$ 6,715,399	\$ 8,688,818
Partnership fund	-	-	3,555,376	3,555,376
Others	-	-	890,581	890,581
Financial assets designated as at FVTPL	-	-	8,542,326	8,542,326
<u>Derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL	-	-	39,265	39,265
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	1,761	1,761

December 31, 2022

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Measured at fair value used by repetitive basis				
<u>Non-derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	\$ 1,938,333	\$ 141,241	\$ 6,861,862	\$ 8,941,436
Partnership fund	-	-	2,729,901	2,729,901
Others	-	-	880,069	880,069
Financial assets designated as at FVTPL	-	-	7,031,671	7,031,671
<u>Derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL	-	-	15,982	15,982

June 30, 2022

(In Thousands of New Taiwan Dollars)

	Level 1	Level 2	Level 3	Total
Measured at fair value used by repetitive basis				
<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

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, 2023 and 2022.

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, 2023

(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	\$ 10,487,814	\$ (258,677)	\$ 1,012,856	\$ -	\$ (41,372)	\$ -	\$ 11,200,621
Financial assets designated as at FVTPL	7,031,671	1,387,857	236,787	-	(113,989)	-	8,542,326

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

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

For the Six Months Ended June 30, 2023

(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	\$ -	\$ 1,761	\$ -	\$ -	\$ -	\$ -	\$ 1,761

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)	\$ -	\$ -	\$ -	\$ -	\$ -

The total gains or losses for the six months ended June 30, 2023 and 2022 included gains of \$975,450 thousand and \$55,551 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, 2023 and 2022 included gains of \$1,729 thousand and \$11,417 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 of the Corporation and its subsidiaries was as follows:

	Fair Value at June 30, 2023	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	\$ 19,703,682	Market approach	P/S Lack of liquidity discount	0.92 26%	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 Discount rate Growth rate	23%-29% 6.28%-40.00% 1.25%-17.00%	The higher lack of liquidity discount, the lower fair value; The higher discount rate, 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, 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	\$ 17,503,503	Market approach	EV/EBIT P/S Lack of liquidity discount	5.87 0.81 26%	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 Discount rate Growth rate	23%-29% 5.30%-11.64% 2.50%-8.00%	The higher lack of liquidity discount, the lower fair value; the higher discount rate, 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, 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 Discount rate Growth rate	23%-29% 5.54%-11.12% 2.20%-8.36%	The higher lack of liquidity discount, the lower fair value; The higher discount rate, the lower fair value; The higher growth rate, the higher fair value.
		Net asset adjustment method Recent transaction price	Lack of liquidity discount -	29%	The higher lack of liquidity discount, the lower fair value. -

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.

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, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 2,245,894	\$ -	\$ 2,245,894

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 1,513,992	\$ -	\$ 1,513,992

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

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, 2023	December 31, 2022	June 30, 2022
<u>Financial assets</u>			
FVTPL			
Mandatorily classified as at FVTPL	\$ 13,174,040	\$ 12,567,388	\$ 11,627,998
Designated as at FVTPL	<u>8,542,326</u>	<u>7,031,671</u>	<u>6,438,550</u>
	<u>\$ 21,716,366</u>	<u>\$ 19,599,059</u>	<u>\$ 18,066,548</u>
Amortized cost			
Cash and cash equivalent	\$ 3,883,387	\$ 4,813,833	\$ 4,517,910
Financial assets at amortized cost	2,094,832	1,424,049	1,216,143
Other receivables	55,904	39,204	318,617
Other non-current assets	<u>49,778</u>	<u>53,247</u>	<u>1,454,983</u>
	<u>\$ 6,083,901</u>	<u>\$ 6,330,333</u>	<u>\$ 7,507,653</u>
<u>Financial liabilities</u>			
FVTPL			
Financial liabilities held for trading	<u>\$ 1,761</u>	<u>\$ -</u>	<u>\$ -</u>
Amortized cost			
Short-term borrowings	\$ 4,822,645	\$ 3,940,762	\$ 4,711,630
Other payables	2,004,778	1,570,602	1,460,848
Other non-current liabilities	<u>2,065</u>	<u>4,982</u>	<u>1,381,847</u>
	<u>\$ 6,829,488</u>	<u>\$ 5,516,346</u>	<u>\$ 7,554,325</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, 2023		
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 254,870	31.135	\$ 7,935,367
CNY	316,161	4.283	1,353,991
KRW	22,214,491	0.024	523,729
AUD	10,409	20.620	214,624
EUR	4,027	33.800	136,117
Nonmonetary items			
USD	266,142	31.135	8,286,322
CNY	160,395	4.283	686,906
GBP	8,876	39.360	349,376
KRW	12,926,863	0.024	304,764
EUR	6,965	33.800	235,405
Investments accounted for using the equity method			
USD	70,185	31.135	2,185,209
CNY	428,923	4.283	1,837,076
<u>Financial liabilities</u>			
Monetary items			
USD	33,436	31.135	1,041,027
EUR	4,020	33.800	135,867

December 31, 2022			
	Foreign Currency	Exchange Rate (Dollar)	New Taiwan Dollar
<u>Financial assets</u>			
Monetary items			
USD	\$ 123,587	30.708	\$ 3,795,099
CNY	299,352	4.408	1,319,483
KRW	22,226,144	0.024	541,296
Nonmonetary items			
USD	355,092	30.708	10,904,159
CNY	149,574	4.408	659,292
GBP	5,273	37.040	195,311
KRW	7,904,304	0.024	192,501
Investments accounted for using the equity method			
USD	65,033	30.708	1,997,018
CNY	433,606	4.408	1,911,337
<u>Financial liabilities</u>			
Monetary items			
USD	16,753	30.708	514,462
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

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 their adjusted 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	
	2023	2022
Monetary items		
USD	\$ 68,943	\$ 67,252
CNY	13,273	(181)
KRW	5,237	5,081
AUD	2,146	-

b) Interest rate risk

The primary financial assets of the Corporation and its subsidiaries with exposure to interest rates as of June 30, 2023, December 31, 2022 and June 30, 2022 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, 2023 and 2022 would have increased/decreased by \$167,372 thousand and \$143,633 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, 2023	December 31, 2022	June 30, 2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:			
Amount used	\$ 4,822,645	\$ 3,940,762	\$ 4,711,630
Amount unused	<u>14,948,680</u>	<u>13,368,538</u>	<u>12,276,720</u>
	<u>\$ 19,771,325</u>	<u>\$ 17,309,300</u>	<u>\$ 16,988,350</u>

The Corporation and its subsidiaries' 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, 2023, December 31, 2022 and June 30, 2022, other financial liabilities were \$0, and the rest of non-derivative financial liabilities are \$7,645,392 thousand, \$6,366,195 thousand and \$8,433,474 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.

There are no financial assets or financial liabilities held by the Corporation and its subsidiaries at June 30, 2023, which are subject to the reform and have not transitioned to an alternative benchmark interest rate. The Corporation and its subsidiaries will continue to evaluate and monitor the development of the interest rate benchmark reform.

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 28 to the consolidated financial statements and Table 4 (attached).
- 9) Derivative transactions: Please refer to Note 8 and Note 28 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.

TABLE 1

CDIB CAPITAL GROUP AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorsements/Guarantees Provider	Counterparty		Limits on Each Counterparty’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	\$ 7,915,203	\$ 1,556,750	\$ 1,556,750	\$ -	\$ -	5.48%	\$ 11,358,719 (Note 2)	No	No	No
		CDIB Global Markets Limited	Note 1	6,229,510	1,556,750	1,556,750	-	-	5.48%	11,358,719 (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 “Financing Provided, Corporate Endorsement, and Guarantee Making Guideline”. For each company, the total amount of financing and guarantee provided or available for collaterals should limit on the amount of each counterparty’s net investment in principle except the board of directors approve. The total amount of financing and guarantee provided or available for collaterals should not exceed 40% of the guarantee provider’s net asset value among recent financial report. The Corporation provided CDIB Capital Investment I Limited and CDIB Global Markets Limited guarantee, and they shared the credit, total NT\$1,556,750 thousand.

TABLE 2

CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
JUNE 30, 2023
(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, 2023				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	<u>Stocks</u>							
	International CSRC Investment Holdings Co., Ltd.	-	Financial assets at fair value through profit or loss	2,000	\$ 43	-	\$ 43	
	Logicom Inc.	-	Financial assets at fair value through profit or loss	3,261,773	12,892	10.69	12,892	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	2,998	10.83	2,998	
	Reward Wool Industry Corporation	-	Financial assets at fair value through profit or loss	1,600	38	-	38	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	68,165	6.04	68,165	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	4,774,523	52,147	13.96	52,147	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	25,474	8.40	25,474	
	AMIA Co., Ltd.	-	Financial assets at fair value through profit or loss	6,000,000	158,400	8.51	158,400	
	Up Scienteck Materials Corp.	-	Financial assets at fair value through profit or loss	4,186,209	79,436	6.97	79,436	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	37,930	6.47	37,930	
	MiTAC Holdings Corporation	-	Financial assets at fair value through profit or loss	1,000	35	-	35	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	215,843	1.88	215,843	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,910,720	86,818	4.38	86,818	
	Kaohsiung Rapid Transit Corp.	-	Financial assets at fair value through profit or loss	3,845,330	1,527	1.38	1,527	
	Dragon Jet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	25,730	4.77	25,730	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	16,737	10.43	16,737	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	79,709	4.81	79,709	
	Eden Biologics, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	72,383	3.55	72,383	
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	3,201,019	13,538	12.00	13,538	
	Apexigen, Inc.	-	Financial assets at fair value through profit or loss	509,227	6,814	0.23	6,814	
	Chime Biologics Limited	-	Financial assets at fair value through profit or loss	8,382,844	94,541	3.55	94,541	
	Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	106,923	8.04	106,923	
	Lightel Technologies, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	3,000,000	48,735	43.44	48,735	
	United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	2,079,360	30,085	0.13	30,085	
CDIB Capital Management Corporation	<u>Stocks</u>							
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	2,316	1.44	2,316	
CDIB Venture Capital Corporation	<u>Stocks</u>							
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	14,900	1.62	14,900	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	2,000,000	224,000	0.53	224,000	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	2,071,733	202,735	4.60	202,735	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	750,000	43,143	1.91	43,143	
	Hephas Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	580,000	75,400	2.52	75,400	
	21th Century Digital Co., Ltd.	-	Financial assets at fair value through profit or loss	5,308,353	1,255,367	7.87	1,255,367	
	Sino-American Silicon Products Inc.	-	Financial assets at fair value through profit or loss	3,114,000	502,911	0.53	502,911	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	162,815	1,494	1.30	1,494	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	14,767	0.13	14,767	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,603	125,479	6.23	125,479	
	Apex Dynamics, Inc.	-	Financial assets at fair value through profit or loss	178,000	39,516	0.22	39,516	
	Yangbao Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	5,626,087	227,150	8.55	227,150	
	Taiwan Microloops Corp.	-	Financial assets at fair value through profit or loss	1,144,198	78,629	2.63	78,629	
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	52,451	5.68	52,451	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	33,000	79,709	4.81	79,709	
	Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	912	2.68	912	
	Kkday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	25,407	0.93	25,407	
	i-Serve Holdings Limited	-	Financial assets at fair value through profit or loss	2,232,219	35,140	4.17	35,140	
	Crescendo Lab	-	Financial assets at fair value through profit or loss	3,195	4,974	2.40	4,974	
	Apollomics, Inc.	-	Financial assets at fair value through profit or loss	419,338	71,071	0.48	71,071	
	Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	63,172	10.23	63,172	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB Capital Investment I Limited	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	98,355	\$ 6,691	3.30	\$ 6,691	
	21th Century Digital Co., Ltd - preferred stock	-	Financial assets at fair value through profit or loss	833,348	197,078	75.00	197,078	
	iCHEF Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	11,167,513	91,551	40.74	91,551	
	4Gamers Entertainment Inc. - preferred Stock	-	Financial assets at fair value through profit or loss	24,000	16,439	20.00	16,439	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	1,424	8.20	1,424	
	Asia Parents Holdings Limited - preferred stock	-	Financial assets at fair value through profit or loss	248,889	17,436	14.74	17,436	
	Kneron Holding Corporation - preferred stock	-	Financial assets at fair value through profit or loss	1,391,752	259,993	9.00	259,993	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock	-	Financial assets at fair value through profit or loss	4,559,686	105,979	26.09	105,979	
	Crescendo Lab - preferred stock	-	Financial assets at fair value through profit or loss	8,000	12,454	16.00	12,454	
	Zentera Systems, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	32,055	39.35	32,055	
	FUNP Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	400,000	44,834	5.39	44,834	
	Achieve Made International Limited - preferred stock	-	Financial assets at fair value through profit or loss	168,138	11,439	6.67	11,439	
	PChome Online Inc. - private common stock	-	Financial assets at fair value through profit or loss	1,875,293	76,793	1.46	76,793	
	United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	831,744	12,034	0.05	12,034	
	United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	2,056,941	29,760	0.13	29,760	
	KKday.com International Company Limited - preferred stock CC	-	Financial assets at fair value through profit or loss	813,859	6,893	0.08	6,893	
	Viscovery (Cayman) Holding Company Limited - preferred stock A	-	Financial assets at fair value through profit or loss	200,000	934	10.96	934	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock A	-	Financial assets at fair value through profit or loss	2,679,133	62,270	13.03	62,270	
	AmazingTalker - preferred stock A	-	Financial assets at fair value through profit or loss	4,282,655	62,270	12.90	62,270	
	FunNow Ltd. - preferred stock A	-	Financial assets at fair value through profit or loss	185,184	66,190	20.00	66,190	
	4Gamers Entertainment Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,978	4.80	5,978	
	KKday.com International Company Limited - preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	47,890	8.66	47,890	
	TXONE NETWORKS INC. - preferred stock B	-	Financial assets at fair value through profit or loss	545,454	93,405	3.71	93,405	
	Traveler Co., Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	32,077	50,216	10.85	50,216	
	FunNow Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	43,573	15,574	3.36	15,574	
	KKday.com International Company Limited - preferred stock C	-	Financial assets at fair value through profit or loss	7,655,502	64,835	2.31	64,835	
	Traveler Co., Ltd. - preferred stock C	-	Financial assets at fair value through profit or loss	7,955	12,453	3.20	12,453	
	Fractyl Health, Inc. - preferred stock E	-	Financial assets at fair value through profit or loss	1,305,574	340,814	10.17	340,814	
	Achieve Made International Limited - preferred stock E	-	Financial assets at fair value through profit or loss	336,276	22,877	10.00	22,877	
	Viscovery (Cayman) Holding Company Limited - preferred stock AA	-	Financial assets at fair value through profit or loss	300,000	1,401	15.00	1,401	
	<u>Stocks</u>							
	Best Inc.	-	Financial assets at fair value through profit or loss	75,000	US\$ 160	0.09	US\$ 160	
	Loopin Cayman Limited	-	Financial assets at fair value through profit or loss	1,893,948	US\$ 5,000	3.79	US\$ 5,000	
	K Health, Inc.	-	Financial assets at fair value through profit or loss	4,834	US\$ 141	0.05	US\$ 141	
	CCAP Best Logistics Holdings Limited	-	Financial assets at fair value through profit or loss	1,000	US\$ 59	12.50	US\$ 59	
	Viking 3 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US\$ 8,580	100.00	US\$ 8,580	
	Rokid Corporation Ltd - preferred stock	-	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>							
	KKR X-Ray Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 5,959	-	US\$ 5,959	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 29,687	-	US\$ 29,687	
	CC KDC CO-INVEST LP	-	Financial assets at fair value through profit or loss	-	US\$ 39,782	-	US\$ 39,782	
	MSD Sports Partners, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 57	-	US\$ 57	
	<u>Corporate bonds</u>							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	29,395,000	US\$ 28,604	-	US\$ 28,604	
	Sino Money Investments Limited	-	Financial assets at amortized cost	4,986,569	US\$ 4,923	-	US\$ 5,214	
	StorHub Hong Kong I Limited	-	Financial assets at amortized cost	1,291,923	US\$ 1,266	-	US\$ 1,332	
	StorHub Hong Kong IV Limited	-	Financial assets at amortized cost	2,101,959	US\$ 2,059	-	US\$ 2,167	
	StorHub Hong Kong VI Limited	-	Financial assets at amortized cost	5,477,324	US\$ 5,365	-	US\$ 5,647	
	StorHub Hong Kong V Ltd	-	Financial assets at amortized cost	6,580,216	US\$ 6,446	-	US\$ 6,784	
	StorHub Hong Kong III Ltd	-	Financial assets at amortized cost	2,235,102	US\$ 2,189	-	US\$ 2,304	
	StorHub Hong Kong VII Ltd	-	Financial assets at amortized cost	4,127,132	US\$ 4,043	-	US\$ 4,255	
SCBS 1 Holding Corporation	<u>Stocks</u>							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US\$ 2,163	2.91	US\$ 2,163	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	June 30, 2023				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
CDIB X Finance I Holding Limited	<u>Corporate bonds</u> Xian Group Limited	-	Financial assets at amortized cost	5,000,000	US\$ 1,693	-	US\$ 1,693	
CDIB Capital Investment II Limited	<u>Stocks</u> Great Rich Technologies Limited Techmate Korea Daebu Co., Ltd. Indostar Capital NY4 Holdings Corporation - preferred stock Indostar Everstone - preferred stock	- - - - -	Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss	1,660,000 45,600 631,701 8,080,000 860,332	US\$ 6,737 US\$ 3,051 US\$ 3,922 US\$ 8,455 US\$ 5,316	2.46 10.00 2.88 100.00 8.12	US\$ 6,737 US\$ 3,051 US\$ 3,922 US\$ 8,455 US\$ 5,316	
	<u>Corporate bonds</u> Belcher I (BVI) Limited Belcher II (BVI) Limited Belcher III (BVI) Limited	- - -	Financial assets at amortized cost Financial assets at amortized cost Financial assets at amortized cost	3,576,203 1,493,073 1,458,242	US\$ 3,503 US\$ 1,463 US\$ 1,428	- - -	US\$ 3,706 US\$ 1,547 US\$ 1,511	
CDIB TMK Finance Holding Limited	<u>Corporate bonds</u> Techmate Korea Daebu Co., Ltd.	-	Financial assets at amortized cost	22,789,140,793	US\$ 16,821	-	US\$ 19,146	
CDIB Global Markets Limited	<u>Stocks</u> Big Commerce Holdings, Inc. Eventbrite, Inc. ContextLogic, Inc. Flemingo International (BVI) Ltd. - preferred stock Osaro, Inc. - preferred stock B	- - - - -	Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss	30,361 24,904 3,240 1,048 510,958	US\$ 302 US\$ 238 US\$ 21 US\$ 15,984 US\$ 1,290	0.04 0.03 - 50.19 3.85	US\$ 302 US\$ 238 US\$ 21 US\$ 15,984 US\$ 1,290	
	<u>Corporate bonds</u> 42 Matraville Investment Trust Weave Living Real Estate II Limited Weave Living Real Estate Limited Weave Living Real Estate SG Limited	- - - -	Financial assets at amortized cost Financial assets at amortized cost Financial assets at amortized cost Financial assets at amortized cost	10,625,714 2,035,405 6,743,908 529,266	US\$ 6,894 US\$ 2,009 US\$ 6,658 US\$ 523	- - - -	US\$ 7,323 US\$ 2,079 US\$ 6,887 US\$ 540	
	<u>Funds</u> Huaxing Capital Partners II LP Alpha Intelligene Capital Fund II,SCSp,SICAV-RAIF	- -	Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss	- -	US\$ 3,585 US\$ 2,812	- -	US\$ 3,585 US\$ 2,812	
CDIB Pearl Holding Limited	<u>Funds</u> KKR Asian Fund III L.P. Insight Partners (Cayman) XI, L.P. TA XIII-B, L.P. Warburg Pincus Global Growth, L.P. KKR European Fund V (USD) SCSp Carlyle Partners VII, L.P. KKR Health Care Strategic Growth Fund L.P. Thoma Bravo Fund XIII-A, L.P. Veritas Capital Fund VII, L.P. Ardian Buyout Fund VII A S.L.P. Permira VII L.P.I EQT IX (No. 1) EUR SCSp	- - - - - - - - - - - -	Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss Financial assets at fair value through profit or loss	- - - - - - - - - - - -	US\$ 1,090 US\$ 3,335 US\$ 2,657 US\$ 3,273 US\$ 1,674 US\$ 4,378 US\$ 1,146 US\$ 2,761 US\$ 4,434 US\$ 2,495 US\$ 1,869 US\$ 3,197	- - - - - - - - - - - -	US\$ 1,090 US\$ 3,335 US\$ 2,657 US\$ 3,273 US\$ 1,674 US\$ 4,378 US\$ 1,146 US\$ 2,761 US\$ 4,434 US\$ 2,495 US\$ 1,869 US\$ 3,197	

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

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

(Concluded)

TABLE 3

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, 2023
(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
The Corporation	Stock Unimicron Technology Corp.	Financial assets at fair value through profit or loss	-	-	-	\$ -	2,362,134	\$ 290,542	2,362,134	\$ 435,360	\$ 290,542	\$ 144,818	-	\$ -
CDIB Global Markets Limited	Stock CDIB Pearl Holding Limited	Investments accounted for using the equity method	-	-	-	-	34,000	US\$ 33,881 (Note)	-	-	-	-	34,000	US\$ 33,881

Note: The amount includes \$34,000 thousand of capital increase and \$119 thousand of loss on investments.

CDIB CAPITAL GROUP AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
The Corporation	China Development Financial Holding Corporation	Parent company	\$ 219,850 (Note)	-	\$ -	-	\$ -	\$ -

Note: Tax receivable results from linked-tax system.

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of June 30, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				June 30, 2023	December 31, 2022	Shares (In Thousands)	%	Carrying Amount			
The Corporation	CDIB Venture Capital Corporation	Taiwan	Venture fund	\$ 2,586,087	\$ 2,586,087	535,494	100.00	\$ 6,186,915 (Note 1)	\$ 586,772	\$ 586,772	Subsidiary
	CDIB Capital Management Corporation	Taiwan	Management and consulting	-	-	23,094	100.00	523,617 (Note 1)	40,920	40,920	Subsidiary
	CDIB Global Markets Limited	British Virgin Islands	Investment	3,035,254	3,035,254	339	100.00	6,229,510 (Note 1)	US\$ 18,406	562,523	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	7,938,982 (Note 1)	US\$ 1,714	52,381	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,761,802 (Note 1)	US\$ 4,243	129,661	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Private equity advisory services	156,951	156,951	4,700	100.00	407,014 (Note 1)	US\$ (1,329)	(40,619)	Subsidiary
	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	3,146,470	3,146,470	925,000	100.00	3,440,806 (Note 1)	HK\$ 6,554	25,551	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,540,499	1,271,749	359,271	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	86,336	229,500	8,634	21.86	386,121	535,064	116,950	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	349,200	349,200	34,920	38.80	219,822	18,849	7,314	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	13,761	(322)	(64)	Associates
	CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	300,000	33,954	35.71	567,148	2,435	Not applicable	Associates
CDIB Venture Capital Corporation	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	894,394	957,903	-	-	1,288,512	1,079,229	Not applicable	Associates
	CDIB Capital Healthcare Ventures II Limited Partnership	Taiwan	Venture fund	222,968	222,968	-	-	383,469	645,805	Not applicable	Associates
	CDIB & Innolux Limited Partnership	Taiwan	Venture fund	306,003	202,643	-	-	382,152	157,930	Not applicable	Associates
	GPPC Development Corp.	Taiwan	Accommodation and food service activities	50,000	50,000	5,000	14.29	17,143	(82,953)	Not applicable	Associates
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Hong Kong	Management and consulting	204,486	204,486	51,900	100.00	345,992 (Note 1)	HK\$ 1,744	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management and consulting	12,000	12,000	1,200	60.00	13,418 (Note 1)	564	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	3,950	10,500	395	1.00	17,666	535,064	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	9,000	9,000	900	1.00	5,666	18,849	Not applicable	Associates
	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	36,200	38,784	-	-	52,423	1,079,229	Not applicable	Associates
	CDIB Capital Healthcare Ventures II Limited Partnership	Taiwan	Venture fund	19,506	19,506	-	-	33,549	645,805	Not applicable	Associates
	CDIB & Innolux Limited Partnership	Taiwan	Venture fund	10,842	7,180	-	-	13,542	157,930	Not applicable	Associates
	CDIB-Mac Limited Partnership	Taiwan	Venture fund	1,290	350	-	-	1,369	(5,631)	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US\$ 94,684	US\$ 94,684	-	-	US\$ 70,185	US\$ 9,394	Not applicable	Associates
	CDIB Capital Global Opportunities Fund L.P.	Cayman Islands	Venture fund	US\$ 13,356	US\$ 9,820	-	-	US\$ 13,554	US\$ 5,568	Not applicable	Associates
	Eve & Partners Limited Partnership	Cayman Islands	Venture fund	US\$ 7,023	US\$ 6,959	-	-	US\$ 11,222	GBP (1,355)	Not applicable	Associates
	SCBS 1 Holding Corporation	United States of America	Investment Holdings	US\$ 3,828	US\$ 3,828	4	100.00	US\$ 2,324 (Note 1)	US\$ 112	Not applicable	Subsidiary
	CDIB X Finance I Holding Limited	Cayman Islands	Investment	US\$ 5,500	US\$ 5,500	6	100.00	US\$ 1,663 (Note 1)	US\$ (666)	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\$ 20,283 (Note 1)	US\$ 1,101	Not applicable	Subsidiary
CDIB Global Markets Limited	Orchid Investment Holdings	Cayman Islands	Investment Holdings	US\$ 28,107	US\$ 28,107	-	-	US\$ 30,059	US\$ 6,704	Not applicable	Associates
	Amber Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 30,091	US\$ 30,091	-	-	US\$ 42,246	US\$ 20,190	Not applicable	Associates
	CDIB Medtech Holdings Limited	Cayman Islands	Investment Holdings	US\$ 10,000	US\$ 10,000	-	-	US\$ 16,500	-	Not applicable	Associates
	CDIB Medtech Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 25,000	US\$ 25,000	-	-	US\$ 41,250	US\$ 52,159	Not applicable	Associates
	AIC Tahoe, Limited Partnership	United States of America	Investment Holdings	US\$ 9,474	US\$ 9,474	-	-	US\$ 9,490	US\$ (11)	Not applicable	Associates
	CDIB Pearl Holding Limited	Cayman Islands	Investment	US\$ 34,000	-	34	100.00	US\$ 33,881	US\$ (119)	Not applicable	Subsidiary
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Hong Kong	Private equity advisory services	US\$ 2,059	US\$ 2,059	15,400	100.00	US\$ 7,225 (Note 1)	HK\$ 2,789	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\$ 3,300 (Note 1)	US\$ 45	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Private equity advisory services	US\$ 300	US\$ 150	-	100.00	US\$ 145 (Note 1)	US\$ (7)	Not applicable	Subsidiary
	CDIB Intelligence Partners Limited (Note 2)	Cayman Islands	Private equity advisory services	-	-	-	100.00	US\$ -	US\$ -	Not applicable	Subsidiary
	CDIB Buyout Partners Limited	Cayman Islands	Private equity advisory services	US\$ 150	US\$ 150	50	100.00	US\$ 105 (Note 1)	US\$ (6)	Not applicable	Subsidiary
	CDIB Asia Secured Credit Opportunities GP Ltd. (Note 3)	Cayman Islands	Private equity advisory services	-	-	-	100.00	US\$ -	US\$ -	Not applicable	Subsidiary

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, 2023.

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, 2023.

TABLE 6

CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA
JUNE 30, 2023
(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, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of June 30, 2023	Accumulated Inward Remittance of Earnings as of June 30, 2023
					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	\$ 5,746	100.00	\$ 5,746	\$ 283,184	\$ -
CDIB Private Equity (Fujian) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 3	-	-	-	-	4,388	70.00	3,072	62,186	-
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	853	70.00	597	34,173	-
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	84,445	-	29,803	788,573	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 7,000 thousand	Note 4	-	-	-	-	3,433	65.00	2,232	59,826	-
CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 3,250 thousand	-	-	CNY 3,250 thousand	443	65.00	288	33,836	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 741,367 thousand	Note 1,b,1),2)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	55,761	-	16,920	1,048,503	-
CDIB Yida Healthcare Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 422,000 thousand	Note 1,b,1),2)	CNY 123,857 thousand	-	-	CNY 123,857 thousand	157,041	-	22,138	686,935	-
CDIB Private Equity (Kunshan) Corporation	Fund Management	CNY 3,000 thousand	Note 1,b,1)	-	-	-	-	(5,879)	100.00	(5,879)	(2,813)	-
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 1,b,1)	-	-	-	-	89	65.00	58	28,050	-
CDIB Taiwan Business Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 67,200 thousand	Note 1,b,1)	-	-	-	-	(993)	-	(59)	17,073	-

Accumulated Investment in Mainland China as of June 30, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$6,020,536	\$8,053,902	\$17,725,782

Note 1: The investment types are as follows:

- a. Direct investments.
- b. Reinvested through a third place by:

1) CDIB Private Equity (Hong Kong) Corporation Limited.

2) CDIB Venture Capital (Hong Kong) Corporation Limited.
- c. Other.

Note 2: The column “Investment Gain (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. Other.

(Continued)

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

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

(Concluded)

TABLE 7

CDIB CAPITAL GROUP AND SUBSIDIARIES

**SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2023**

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership			Note
			June 30, 2023	December 31, 2022	June 30, 2022	
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	Note 1
	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	
	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	100.00	
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 Global Markets Limited	CDIB Pearl Holding Limited	Investment	100.00	-	-	Note 3
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Yida Private Equity Management (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	100.00	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	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	

(Continued)

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, 2023.

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, 2023.

Note 3: CDIB Pearl Holding Limited conducted registration of establishment on May 17, 2023.

(Concluded)

TABLE 8

CDIB CAPITAL GROUP AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2023
(In Thousands of New Taiwan Dollars)**

No. (Note 1)	Trader Company	Related Party	Flow of Transactions (Note 2)	Financial Statement Accounts	Amounts	Trading Terms	Transaction Amount/Total Consolidated Revenue or Total Consolidated Assets (Note 3)
1	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	\$ 109,483	Note 4	4.22%
2	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	109,483	Note 4	4.22%

- 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.