

# **CDIB Capital Group and Subsidiaries**

**Consolidated Financial Statements for the  
Years Ended December 31, 2023 and 2022 and  
Independent Auditors' Report**

## **DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES**

The companies required to be included in the consolidated financial statements of affiliates in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard 10 “Consolidated Financial Statements”. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

CDIB CAPITAL GROUP

March 8, 2024

## **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 December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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 December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) of the Republic of China.

### **Basis for Opinion**

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of 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 year ended December 31, 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 year ended December 31, 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 year ended December 31, 2023.

Refer to Notes 4, 5 and 31 for the relevant accounting policies, material 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 the reasonableness of the financial multipliers used in the valuation models.

#### **Other Matter**

We have also audited the financial statements of the Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion thereon, respectively.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, and International Financial Reporting Interpretations endorsed 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 year ended December 31, 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

March 8, 2024

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 DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

ASSETS	2023		2022	
	Amount	%	Amount	%
<b>CURRENT ASSETS</b>				
Cash and cash equivalents (Notes 4, 6, 29 and 31)	\$ 3,436,317	9	\$ 4,813,833	13
Financial assets at amortized cost - current (Notes 4 and 31)	1,182,668	3	-	-
Other receivables (Notes 7 and 31)	73,787	-	39,204	-
Current tax assets (Notes 4, 27 and 29)	226,421	1	239,891	1
Other current assets	46,047	-	47,161	-
Total current assets	<u>4,965,240</u>	<u>13</u>	<u>5,140,089</u>	<u>14</u>
<b>NON-CURRENT ASSETS</b>				
Financial assets at fair value through profit or loss - non-current (Notes 4, 8, 10, 29 and 31)	22,295,602	58	19,599,059	55
Financial assets at amortized cost - non-current (Notes 4 and 31)	877,726	2	1,424,049	4
Investments accounted for using the equity method (Notes 4, 9, 10 and 29)	9,390,269	24	8,543,715	24
Property and equipment (Notes 4, 11 and 29)	252,178	1	260,852	1
Right-of-use assets (Notes 4, 12 and 29)	675,938	2	765,186	2
Investment properties (Notes 4 and 13)	3,502	-	79,350	-
Other non-current assets (Notes 4, 14, 29 and 31)	88,973	-	107,668	-
Total non-current assets	<u>33,584,188</u>	<u>87</u>	<u>30,779,879</u>	<u>86</u>
<b>TOTAL</b>	<u>\$ 38,549,428</u>	<u>100</u>	<u>\$ 35,919,968</u>	<u>100</u>
<b>LIABILITIES AND EQUITY</b>				
<b>CURRENT LIABILITIES</b>				
Short-term borrowings (Notes 15 and 31)	\$ 4,125,948	11	\$ 3,940,762	11
Short-term bills payable (Note 31)	219,979	-	-	-
Other payables (Notes 16, 29 and 31)	1,852,509	5	1,570,602	5
Current tax liabilities (Notes 4, 27 and 29)	654,361	2	686,936	2
Lease liabilities - current (Notes 4, 12 and 29)	94,420	-	96,142	-
Other current liabilities (Note 29)	73,903	-	97,402	-
Current portion of bonds payable (Notes 17 and 31)	222,289	1	-	-
Total current liabilities	<u>7,243,409</u>	<u>19</u>	<u>6,391,844</u>	<u>18</u>
<b>NON-CURRENT LIABILITIES</b>				
Financial liabilities at fair value through profit or loss - non-current (Notes 4, 8, 29 and 31)	7,349	-	-	-
Bonds payable (Notes 17 and 31)	117,333	-	-	-
Provisions - non-current (Notes 4, 18 and 19)	62,477	-	64,682	-
Deferred tax liabilities (Notes 4 and 27)	286,203	1	245,418	1
Lease liabilities - non-current (Notes 4, 12 and 29)	629,636	2	710,639	2
Other non-current liabilities (Notes 20 and 31)	8,314	-	7,787	-
Total non-current liabilities	<u>1,111,312</u>	<u>3</u>	<u>1,028,526</u>	<u>3</u>
Total liabilities	<u>8,354,721</u>	<u>22</u>	<u>7,420,370</u>	<u>21</u>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT (Note 21)</b>				
Capital	20,411,159	53	20,411,159	57
Capital surplus (Note 22)	722,753	2	661,702	2
Retained earnings				
Legal reserve	6,212,141	16	6,212,141	17
Special reserve	7,450	-	495,961	2
Unappropriated earnings	2,075,722	5	449,296	1
Other equity	654,116	2	166,539	-
Total equity attributable to owners of the parent	30,083,341	78	28,396,798	79
<b>NON-CONTROLLING INTERESTS</b>	<u>111,366</u>	<u>-</u>	<u>102,800</u>	<u>-</u>
Total equity	<u>30,194,707</u>	<u>78</u>	<u>28,499,598</u>	<u>79</u>
<b>TOTAL</b>	<u>\$ 38,549,428</u>	<u>100</u>	<u>\$ 35,919,968</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 FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
<b>OPERATING REVENUE</b>					
Share of profit or loss of associates and joint ventures (Notes 4 and 9)	\$ 750,126	22	\$ (669,819)	(101)	212
Gain on financial assets and liabilities measured at fair value through profit or loss (Notes 4 and 23)	2,183,537	62	767,252	116	185
Consulting service revenue (Note 29)	562,992	16	611,258	92	(8)
Other operating revenue and loss (Note 29)	<u>-</u>	<u>-</u>	<u>(45,226)</u>	<u>(7)</u>	100
Total operating revenue	<u>3,496,655</u>	<u>100</u>	<u>663,465</u>	<u>100</u>	427
<b>OPERATING COSTS</b>					
Expected credit loss	<u>73,229</u>	<u>2</u>	<u>81,186</u>	<u>12</u>	(10)
<b>GROSS PROFIT</b>	<u>3,423,426</u>	<u>98</u>	<u>582,279</u>	<u>88</u>	488
<b>OPERATING EXPENSES (Notes 4, 19, 22, 24, 25 and 29)</b>					
	<u>(1,578,388)</u>	<u>(45)</u>	<u>(1,332,770)</u>	<u>(201)</u>	18
<b>PROFIT (LOSS) FROM OPERATIONS</b>	<u>1,845,038</u>	<u>53</u>	<u>(750,491)</u>	<u>(113)</u>	346
<b>NON-OPERATING INCOME AND EXPENSES</b>					
Foreign exchange loss, net	(26,830)	(1)	(114,010)	(17)	(76)
Interest income (Notes 4 and 29)	446,714	13	321,191	48	39
Finance costs (Note 29)	(118,311)	(4)	(54,117)	(8)	119
Gain on disposal of property and equipment (Notes 13 and 29)	-	-	50,273	8	(100)
Gain on disposal of investment properties (Note 13)	58,737	2	153,315	23	(62)
Other gains and losses	<u>24,402</u>	<u>1</u>	<u>65,546</u>	<u>10</u>	(63)
Total non-operating income and expenses	<u>384,712</u>	<u>11</u>	<u>422,198</u>	<u>64</u>	(9)

(Continued)



## CDIB CAPITAL GROUP AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
PROFIT (LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	\$ 2,229,750	64	\$ (328,293)	(49)	779
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 27)	<u>(71,850)</u>	<u>(2)</u>	<u>13,876</u>	<u>2</u>	(618)
NET PROFIT (LOSS) FOR THE YEAR	<u>2,157,900</u>	<u>62</u>	<u>(314,417)</u>	<u>(47)</u>	786
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss, net of income tax					
Remeasurement of defined benefit plans	(4,530)	-	50,776	8	(109)
Share of the other comprehensive income (loss) of associates and joint ventures	460,815	13	(822,284)	(124)	156
Items that will be reclassified subsequently to profit or loss, net of income tax					
Exchange differences on translation of financial statements of foreign operations	(39,379)	(1)	1,715,821	258	(102)
Loss on debt instruments measured at fair value through other comprehensive income	-	-	(160)	-	100
Share of the other comprehensive income (loss) of associates and joint ventures	<u>(10,954)</u>	<u>(1)</u>	<u>521,618</u>	<u>79</u>	(102)
Other comprehensive income (loss) for the year, net of income tax	<u>405,952</u>	<u>11</u>	<u>1,465,771</u>	<u>221</u>	(72)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>\$ 2,563,852</u>	<u>73</u>	<u>\$ 1,151,354</u>	<u>174</u>	123 (Continued)

## CDIB CAPITAL GROUP AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings (Loss) Per Share)

	2023		2022		Percentage Increase (Decrease) %
	Amount	%	Amount	%	
NET PROFIT (LOSS)					
ATTRIBUTABLE TO:					
Shareholder of parent company	\$ 2,155,387	62	\$ (320,336)	(48)	773
Non-controlling interests	<u>2,513</u>	<u>-</u>	<u>5,919</u>	<u>1</u>	(58)
	<u>\$ 2,157,900</u>	<u>62</u>	<u>\$ (314,417)</u>	<u>(47)</u>	786
TOTAL COMPREHENSIVE INCOME					
ATTRIBUTABLE TO:					
Shareholder of parent company	\$ 2,563,299	73	\$ 1,144,089	173	124
Non-controlling interests	<u>553</u>	<u>-</u>	<u>7,265</u>	<u>1</u>	(92)
	<u>\$ 2,563,852</u>	<u>73</u>	<u>\$ 1,151,354</u>	<u>174</u>	123
EARNINGS (LOSS) PER SHARE					
(Note 27)					
Basic	<u>\$1.06</u>		<u>\$(0.16)</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  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022  
(In Thousands of New Taiwan Dollars)**

	Equity Attributable to Owners of Parent						Exchange Differences on Translation of Foreign Financial Statements	Other Equity Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
	Capital	Capital Surplus	Retained Earnings		Unappropriated Earnings						
			Legal Reserve	Special Reserve							
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)	
Special reserve reversed	-	-	-	(16,185)	16,185	-	-	-	-	-	
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(75,411)	-	75,411	-	-	-	
Net profit (loss) for the year ended December 31, 2022	-	-	-	-	(320,336)	-	-	(320,336)	5,919	(314,417)	
Other comprehensive income (loss) for the year ended December 31, 2022, net income tax	-	-	-	-	51,155	2,236,093	(822,823)	1,464,425	1,346	1,465,771	
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(269,181)	2,236,093	(822,823)	1,144,089	7,265	1,151,354	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	40,375	-	-	-	-	-	40,375	-	40,375	
Share-based payment	-	27,380	-	-	-	-	-	27,380	-	27,380	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	(7,307)	(7,307)	
BALANCE AT DECEMBER 31, 2022	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 year ended December 31, 2023	-	-	-	-	2,155,387	-	-	2,155,387	2,513	2,157,900	
Other comprehensive income (loss) for the year ended December 31, 2023, net income tax	-	-	-	-	(4,651)	(48,373)	460,936	407,912	(1,960)	405,952	
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	2,150,736	(48,373)	460,936	2,563,299	553	2,563,852	
Changes in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	34,420	-	-	-	-	-	34,420	-	34,420	
Share-based payment	-	26,631	-	-	-	-	-	26,631	-	26,631	
Changes in non-controlling interests	-	-	-	-	-	-	-	-	8,013	8,013	
Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	(75,014)	-	75,014	-	-	-	
BALANCE AT DECEMBER 31, 2023	\$ 20,411,159	\$ 722,753	\$ 6,212,141	\$ 7,450	\$ 2,075,722	\$ (1,140,840)	\$ 1,794,956	\$ 30,083,341	\$ 111,366	\$ 30,194,707	

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

## CDIB CAPITAL GROUP AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net profit (loss) before income tax	\$ 2,229,750	\$ (328,293)
Adjustments for reconciliation of net profit (loss)		
Depreciation expense	131,410	123,441
Amortization expense	4,071	1,802
Expected credit loss	73,229	81,186
Net gain on financial assets and liabilities at fair value through profit or loss	(1,994,771)	(574,887)
Interest expense	118,311	54,117
Interest income	(446,714)	(321,191)
Dividend income	(185,368)	(186,355)
Share-based payments	44,331	45,579
Share of profit or loss of associates and joint ventures	(748,785)	673,697
Loss (gain) on disposal of property and equipment	500	(50,228)
Gain on disposal of investment properties	(58,737)	(153,315)
Loss on disposal of investments accounted for using equity method	-	45,226
Others	(250)	(2,159)
Changes in operating assets and liabilities		
Financial assets at fair value through profit or loss	(928,953)	698,554
Other receivables	(22,298)	2,766,730
Financial assets at amortized cost	7,869	-
Other current assets	15,681	1,360,526
Other operating assets	2,601	59,654
Other payables	273,544	(1,395,614)
Other current liabilities	(22,789)	(1,373,745)
Other operating liabilities	(9,234)	(19,570)
Cash generated from (used in) operations	(1,516,602)	1,505,155
Interest received	438,102	294,813
Dividends received	268,305	413,828
Interest paid	(110,907)	(52,510)
Income tax paid	(57,362)	(61,817)
Net cash generated from (used in) operating activities	<u>(978,464)</u>	<u>2,099,469</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of financial assets designated as at fair value through other comprehensive income	-	100,000
Acquisition of financial assets at amortized cost	(720,544)	(535,211)
Acquisition of financial assets designated as at fair value through profit or loss	(342,946)	(1,880,809)
Proceeds from sale of financial assets designated as at fair value through profit or loss	551,074	195,532
Acquisition of investments accounted for using equity method	(31,409)	(66,475)
Disposal of investments accounted for using equity method	-	111,218

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## CDIB CAPITAL GROUP AND SUBSIDIARIES

### CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars)

	2023	2022
Proceeds from capital reduction of investments accounted for using equity method	\$ 289,765	\$ 483,432
Acquisition of property and equipment	(14,253)	(24,013)
Proceeds from disposal of property and equipment	-	151,108
Proceeds from disposal of investment properties	133,671	283,274
Others	<u>(305)</u>	<u>-</u>
Net cash used in investing activities	<u>(134,947)</u>	<u>(1,181,944)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in short-term borrowings	185,186	3,442,929
Proceeds from short-term bills payable	219,979	-
Proceeds from issuance of bonds	354,453	-
Repayment of the principal portion of lease liabilities	(103,083)	(96,797)
Proceeds from issuance of ordinary shares	8,730	-
Cash dividends paid	<u>(938,642)</u>	<u>(8,007,282)</u>
Net cash used in financing activities	<u>(273,377)</u>	<u>(4,661,150)</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>		
	<u>9,272</u>	<u>420,189</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,377,516)	(3,323,436)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>	<u>4,813,833</u>	<u>8,137,269</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>	<u>\$ 3,436,317</u>	<u>\$ 4,813,833</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 YEARS ENDED DECEMBER 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

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### 1. GENERAL INFORMATION

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

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

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

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

### 2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors and were authorized for issue on March 8, 2024.

### 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 “IFRS Accounting Standards”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

- b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 16 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards 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 amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries has assessed that the application of the above-mentioned standards and interpretations will not have a material impact on the financial position and financial performance.

- c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

<b>New IFRSs</b>	<b>Effective Date Announced by IASB (Note 1)</b>
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

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 sells or contributes 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 loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Corporation and its subsidiaries sell or contributes 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 loses 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.

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 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 IFRS Accounting Standards as endorsed and issued into effect by the FSC.

##### **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 less the fair value of plan assets.

##### **Principles for Preparing Consolidated Financial Statements**

The Corporation and its subsidiaries have been included in the 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 dollars, and the consolidated financial statements are presented in New Taiwan dollars.

As of December 31, 2023 and 2022, the consolidated entities included in the consolidated financial statements included 29 and 26 companies, respectively (please refer to the attached Table 7 for details).

##### **Classification of Current and Non-current Assets and Liabilities**

Current assets include:

- a. Assets held primarily for the purpose of trading;
- b. Assets expected to be realized within 12 months after the reporting period; and
- c. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.



Current liabilities include:

- a. Liabilities held primarily for the purpose of trading;
- b. Liabilities due to be settled within 12 months after the reporting period, even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the consolidated financial statements are authorized for issue; and
- c. Liabilities for which the Corporation and its subsidiaries do not have an unconditional right to defer settlement for at least 12 months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

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

### **Foreign Currencies**

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

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

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

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

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

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

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

## **Cash Equivalents**

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

## **Investments in Associates and Joint Ventures**

An associate is an entity over which the Corporation and its subsidiaries have significant influence and that is not a subsidiary. A joint venture is a joint arrangement whereby the Corporation and its subsidiaries that have joint control of the arrangement have rights to the net assets of the arrangement.

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

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

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

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

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

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

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

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

### **Financial Instruments**

Financial assets and financial liabilities are recognized when the Corporation and 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 that require delivery of assets 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 and financial assets at amortized cost.

##### 1) Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is 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 31.

## 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 financial assets have been determined by total carrying amount calculated using effective interest method minus impairment loss 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 financial assets that subsequently became credit loss, which are calculated by multiplying effective interest rate by amortized cost of the 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.

### b. Impairment of financial assets

The Corporation and its subsidiaries recognize a loss allowance for expected credit losses on financial assets at amortized cost.

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 amount through a loss allowance account.

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 it transfers 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.

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, and its carrying amounts are calculated based on weighted average by share types and calculated separately by repurchase category. 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, interest rate swap contracts, which are used to manage the Corporation and its subsidiaries' interest and exchange rate risk.

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.

**Property and Equipment**

Property and equipment are stated at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Except for freehold land which is not depreciated, the depreciation of property and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

**Investment Properties**

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

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

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

### **Impairment of Property and Equipment and Investment Properties**

At the end of each reporting period, the Corporation and its subsidiaries review the carrying amounts of its property and equipment and investment properties, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation and its subsidiaries estimate the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

### **Provisions**

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

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

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

### **Employee Benefits**

#### **a. Short-term employee benefits**

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

#### **b. Retirement benefits**

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

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

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

### **Share-based Payment Arrangements**

Restricted shares for employees are measured at fair value on the date of grant, with a corresponding increase in capital surplus - restricted shares for employees.

The fair value determined at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's estimate of employee share options that will eventually vest, with a corresponding increase in capital surplus - employee share options.

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with the market-based measure at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award.

### **Taxation**

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

#### **a. Current tax**

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

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

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

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

c. Current and deferred taxes

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

### **Revenue Recognition**

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

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

### **Leases**

At the inception of a contract, the Corporation and its subsidiaries assess whether the contract is, or contains, a lease.

For a contract that contains a lease component and non-lease components, the Corporation and its subsidiaries allocate the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.



a. The Corporation and its subsidiaries as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments less any lease incentives payable from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

b. The Corporation and its subsidiaries as lessee

The Corporation and its subsidiaries recognize right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms. However, if leases transfer ownership of the underlying assets to the Corporation and its subsidiaries by the end of the lease terms or if the costs of right-of-use assets reflect that the Corporation and its subsidiaries will exercise a purchase option, the Corporation and its subsidiaries depreciate the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities are initially measured at the present value of the fixed lease payments. If that rate can be readily determined, the Corporation and its subsidiaries use interest the rate implicit in a lease. If that rate cannot be readily determined, the Corporation and its subsidiaries use the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Corporation and its subsidiaries remeasure the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Corporation and its subsidiaries recognize only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

## 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.

When developing material accounting estimates, the Corporation and its subsidiaries consider the possible impact of inflation and interest rate fluctuations on cash flow projections, growth rate, discount rate, profitabilities, etc. The estimates and underlying assumptions are reviewed on an ongoing basis.

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

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

## 6. CASH AND CASH EQUIVALENTS

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Cash on hand	\$ 20	\$ 20
Checking accounts and demand deposits	1,066,835	1,087,930
Cash equivalent		
Time deposits	<u>2,369,462</u>	<u>3,725,883</u>
	<u>\$ 3,436,317</u>	<u>\$ 4,813,833</u>

## 7. OTHER RECEIVABLES

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Receivable from securities sold	\$ 192,709	\$ 190,696
Interest receivable	180,842	167,310
Accrued incomes	2,761	4,080
Others	<u>36,719</u>	<u>16,081</u>
	413,031	378,167
Less: Allowance for other receivables	<u>(339,244)</u>	<u>(338,963)</u>
	<u>\$ 73,787</u>	<u>\$ 39,204</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**

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
<u>Financial assets</u>		
<u>Financial assets mandatorily classified as at FVTPL</u>		
Non-designated hedge derivatives		
Cross-currency swap contracts	\$ 31,856	\$ 15,982
Non-derivative financial assets		
Stocks	8,764,516	8,941,436
Partnership funds	4,172,162	2,729,901
Others	<u>880,483</u>	<u>880,069</u>
	<u>13,849,017</u>	<u>12,567,388</u>
<u>Financial assets designated as at FVTPL</u>		
Associates	3,876,876	3,248,852
Joint ventures	<u>4,569,709</u>	<u>3,782,819</u>
	<u>8,446,585</u>	<u>7,031,671</u>
Financial assets at FVTPL	<u>\$ 22,295,602</u>	<u>\$ 19,599,059</u>
<u>Financial liabilities</u>		
<u>Financial liabilities held for trading</u>		
Non-designated hedge derivatives		
Cross-currency swap contracts	<u>\$ 7,349</u>	<u>\$ -</u>

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

December 31, 2023

<b>Contract Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>	<b>Payment Ratio</b>	<b>Collection Ratio</b>
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

<b>Contract Amount (In Thousands)</b>	<b>Maturity Date</b>	<b>Exchange Rate</b>	<b>Payment Ratio</b>	<b>Collection Ratio</b>
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%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
CDIB & Partners Investment Holding Corp.	\$ 4,932,909	\$ 3,941,385
CDIB Capital Asia Partners L.P.	1,926,781	1,997,018
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	1,170,950	1,129,645
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	730,740	781,692
CDIB Capital Health Ventures Limited	438,077	444,233
CDIB Capital Creative Industries Limited	182,033	217,986
Others	<u>8,779</u>	<u>31,756</u>
	<u>\$ 9,390,269</u>	<u>\$ 8,543,715</u>

As of December 31, 2023 and 2022, associates and joint ventures that are not individually material listed on financial assets designated as at FVTPL were \$8,446,585 thousand and \$7,031,671 thousand, respectively.

Summary of associates and joint ventures that are not individually material

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Share of the Corporation and its subsidiaries		
Net income (loss)	\$ 1,071,352	\$ (785,767)
Other comprehensive income (loss)	<u>449,861</u>	<u>(165,393)</u>
Total comprehensive income (loss) for the year	<u>\$ 1,521,213</u>	<u>\$ (951,160)</u>

The Corporation and its subsidiaries' investments, which are accounted for using equity method, and related share of earnings and other comprehensive income (loss) were accounted for based on the audited financial statements.

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.

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Partnership funds investment		
Financial assets at FVTPL	\$ 4,172,162	\$ 2,729,901
Maximum exposure	4,172,162	2,729,901

### 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.

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Partnership funds management		
Total assets	\$ 28,499,933	\$ 26,575,456
Total liabilities	29,258	31,071
Investments accounted for using equity method	3,828,471	3,908,355
Financial assets designated as at FVTPL	3,303,290	2,675,430
Maximum exposure	7,131,761	6,583,785

## 11. PROPERTY AND EQUIPMENT

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Land	\$ 51,099	\$ 51,099
Buildings and facilities	72,232	75,802
Computer equipment	11,599	14,092
Leasehold improvements	93,033	92,044
Other equipment	<u>24,215</u>	<u>27,815</u>
	<u>\$ 252,178</u>	<u>\$ 260,852</u>

	Land	Buildings and Facilities	Computer Equipment	Leasehold Improvements	Other Equipment	Prepayments for Acquisition of Properties	Total
<u>Cost</u>							
Balance at January 1, 2022	\$ 160,179	\$ 167,823	\$ 32,099	\$ 27,587	\$ 29,278	\$ 73,791	\$ 490,757
Additions	-	-	1,143	4,911	2,021	15,938	24,013
Disposal	(78,216)	(79,384)	(5,189)	(6,737)	(2,719)	-	(172,245)
Reclassification	24,699	49,539	(686)	79,995	9,734	(89,729)	73,552
Effect of exchange rate changes	-	-	885	1,003	642	-	2,530
Balance at December 31, 2022	<u>106,662</u>	<u>137,978</u>	<u>28,252</u>	<u>106,759</u>	<u>38,956</u>	<u>-</u>	<u>418,607</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2022	(68,125)	(81,597)	(14,310)	(15,439)	(9,592)	-	(189,063)
Additions	-	(3,918)	(5,029)	(5,026)	(3,669)	-	(17,642)
Disposal	12,385	44,388	5,136	6,737	2,719	-	71,365
Reclassification	177	(21,049)	686	-	-	-	(20,186)
Effect of exchange rate changes	-	-	(643)	(987)	(599)	-	(2,229)
Balance at December 31, 2022	<u>(55,563)</u>	<u>(62,176)</u>	<u>(14,160)</u>	<u>(14,715)</u>	<u>(11,141)</u>	<u>-</u>	<u>(157,755)</u>
Balance at December 31, 2022, net	<u>\$ 51,099</u>	<u>\$ 75,802</u>	<u>\$ 14,092</u>	<u>\$ 92,044</u>	<u>\$ 27,815</u>	<u>\$ -</u>	<u>\$ 260,852</u>
<u>Cost</u>							
Balance at January 1, 2023	\$ 106,662	\$ 137,978	\$ 28,252	\$ 106,759	\$ 38,956	\$ -	\$ 418,607
Additions	-	-	2,208	9,334	808	1,906	14,256
Disposal	-	(1,230)	(1,876)	(3,469)	(1,286)	-	(7,861)
Reclassification	-	-	-	1,490	416	(1,906)	-
Effect of exchange rate changes	-	-	(115)	(132)	(17)	-	(264)
Balance at December 31, 2023	<u>106,662</u>	<u>136,748</u>	<u>28,469</u>	<u>113,982</u>	<u>38,877</u>	<u>-</u>	<u>424,738</u>
<u>Accumulated depreciation and impairment</u>							
Balance at January 1, 2023	(55,563)	(62,176)	(14,160)	(14,715)	(11,141)	-	(157,755)
Additions	-	(2,627)	(4,651)	(9,739)	(4,825)	-	(21,842)
Disposal	-	730	1,876	3,469	1,286	-	7,361
Reclassification	-	(443)	-	-	-	-	(443)
Effect of exchange rate changes	-	-	65	36	18	-	119
Balance at December 31, 2023	<u>(55,563)</u>	<u>(64,516)</u>	<u>(16,870)</u>	<u>(20,949)</u>	<u>(14,662)</u>	<u>-</u>	<u>(172,560)</u>
Balance at December 31, 2023, net	<u>\$ 51,099</u>	<u>\$ 72,232</u>	<u>\$ 11,599</u>	<u>\$ 93,033</u>	<u>\$ 24,215</u>	<u>\$ -</u>	<u>\$ 252,178</u>

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
Air-conditioning and electrical equipment	5-10 years
Fire and monitoring equipment	5 years
Computer equipment	4-8 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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Carrying amount		
Buildings and facilities	\$ 672,614	\$ 758,510
Transportation equipment	2,128	5,100
Computer equipment	<u>1,196</u>	<u>1,576</u>
	<u>\$ 675,938</u>	<u>\$ 765,186</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Additions to right-of-use assets	<u>\$ 19,841</u>	<u>\$ 125,027</u>
Depreciation of right-of-use assets		
Buildings and facilities	\$ 105,123	\$ 98,562
Transportation equipment	2,708	2,882
Computer equipment	<u>380</u>	<u>546</u>
	<u>\$ 108,211</u>	<u>\$ 101,990</u>

### b. Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Carrying amount		
Current	<u>\$ 94,420</u>	<u>\$ 96,142</u>
Non-current	<u>\$ 629,636</u>	<u>\$ 710,639</u>
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Interest expense	<u>\$ 7,260</u>	<u>\$ 7,316</u>

Range of discount rate for lease liabilities were as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Buildings and facilities	0.57%-1.95%	0.57%-1.95%
Computer equipment	0.61%-1.61%	0.61%-1.61%
Transportation equipment	0.65%-1.45%	0.65%-1.44%

The maturity analysis of lease liabilities was as follows:

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Not later than 1 year	\$ 97,101	\$ 99,371
Later than 1 year and not later than 5 years	234,787	266,979
Later than 5 years	<u>429,297</u>	<u>483,499</u>
	<u>\$ 761,185</u>	<u>\$ 849,849</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.

	<u>For the Year Ended December 31</u>	
	<b>2023</b>	<b>2022</b>
Expenses relating to short-term leases	<u>\$ 2,305</u>	<u>\$ 9,039</u>
Variable lease payment expense not included in the measurement of lease liabilities	<u>\$ 409</u>	<u>\$ 327</u>
Total cash outflow for leases	<u>\$ 112,923</u>	<u>\$ 112,915</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

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Land	\$ -	\$ 45,009
Buildings and facilities	<u>3,502</u>	<u>34,341</u>
	<u>\$ 3,502</u>	<u>\$ 79,350</u>



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

	<b><u>For the Year Ended December 31</u></b>	
	<b>2023</b>	<b>2022</b>
<u>Cost</u>		
Beginning balance	\$ 111,287	\$ 355,602
Disposal	(104,087)	(170,077)
Reclassification	-	(74,238)
Ending balance	<u>7,200</u>	<u>111,287</u>
<u>Accumulated depreciation</u>		
Beginning balance	(31,937)	(86,758)
Additions	(1,357)	(3,809)
Disposal	29,153	37,581
Reclassification	443	21,049
Ending balance	<u>(3,698)</u>	<u>(31,937)</u>
<u>Accumulated impairment</u>		
Beginning balance	-	(2,360)
Disposal	-	2,537
Reclassification	-	(177)
Ending balance	<u>-</u>	<u>-</u>
Carrying amount	<u>\$ 3,502</u>	<u>\$ 79,350</u>

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

**Buildings and facilities**

Main building and parking spaces	50 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 December 31, 2023 and 2022 were \$4,835 thousand and \$133,802 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 at December 31, 2021 were still valid. The valuation was measured by using the sales comparison approach and income approach.

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 Taoyuan City to an external buyer for \$135,880 thousand and recognized disposal gains of \$58,737 on September 2023. The Corporation sold the properties located in Nangang District, Taipei City and Kaohsiung City to KGI 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 December 31, 2023 and 2022 is as follows:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Year 1	\$ 143	\$ 3,274
Year 2	-	3,240
Year 3	-	3,240
Year 4	<u>-</u>	<u>2,700</u>
	<u>\$ 143</u>	<u>\$ 12,454</u>

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

	<b>Estimated Useful Lives</b>
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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Guarantee deposits paid	\$ 39,644	\$ 53,247
Deferred tax assets	29,474	37,984
Computer software	19,330	14,445
Others	<u>525</u>	<u>1,992</u>
	<u>\$ 88,973</u>	<u>\$ 107,668</u>

#### 15. SHORT-TERM BORROWINGS

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Short-term credit borrowings	<u>\$ 4,125,948</u>	<u>\$ 3,940,762</u>
Range of rate	1.90%-6.53%	1.55%-5.06%
Last maturity date	March 2024	January 2023

## 16. OTHER PAYABLES

	<u>December 31</u>	
	2023	2022
Accrued expenses	\$ 1,789,539	\$ 1,552,152
Others	<u>62,970</u>	<u>18,450</u>
	<u>\$ 1,852,509</u>	<u>\$ 1,570,602</u>

## 17. BONDS PAYABLE

	<u>December 31</u>	
	2023	2022
Bonds payable	\$ 339,622	\$ -
Less: Current portion	<u>(222,289)</u>	<u>-</u>
	<u>\$ 117,333</u>	<u>\$ -</u>

Bonds payable were as follows:

Item	<u>December 31</u>		Issuance Period	Repayment of the Principal and Interest	Coupon Rate
	2023	2022			
Beneficiary bonds	\$ 339,622	\$ -	October 2023- September 2026	Interest paid quarterly	9.5%

## 18. PROVISIONS - NON-CURRENT

	<u>December 31</u>	
	2023	2022
Provisions for employee benefits	\$ 58,139	\$ 59,005
Others	<u>4,338</u>	<u>5,677</u>
	<u>\$ 62,477</u>	<u>\$ 64,682</u>

## 19. RETIREMENT BENEFIT PLANS

### a. Defined contribution plans

The Corporation and domestic subsidiaries adopted a pension plan under the Labor Pension Act (the LPA), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The total expenses recognized in profit or loss for the years ended December 31, 2023 and 2022 were \$11,369 thousand and \$11,014 thousand, respectively.

The Corporation's foreign subsidiaries adopted the defined contribution pension plans, and they recognized their contributions as pension expenses amounting to \$2,245 thousand and \$2,308 thousand for the years ended December 31, 2023 and 2022, respectively.

b. Defined benefit plans

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

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

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Present value of defined benefit obligation	\$ 251,688	\$ 248,298
Fair value of plan assets	<u>(198,485)</u>	<u>(194,100)</u>
Net defined benefit liabilities	<u>\$ 53,203</u>	<u>\$ 54,198</u>

Movements in net defined benefit liabilities were as follows:

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
Balance at January 1, 2022	\$ 346,665	\$ (238,065)	\$ 108,600
Current service cost	2,882	-	2,882
Net interest expense (income)	<u>1,515</u>	<u>(1,043)</u>	<u>472</u>
Recognized in profit or loss	<u>4,397</u>	<u>(1,043)</u>	<u>3,354</u>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(21,069)	(21,069)
Actuarial gain - changes in financial assumptions	(15,340)	-	(15,340)
Actuarial gain - experience adjustments	<u>(14,367)</u>	<u>-</u>	<u>(14,367)</u>
Recognized in other comprehensive income	<u>(29,707)</u>	<u>(21,069)</u>	<u>(50,776)</u>
Contributions from the employer	-	(6,980)	(6,980)
Benefits paid	<u>(73,057)</u>	<u>73,057</u>	<u>-</u>
Balance at December 31, 2022	<u>248,298</u>	<u>(194,100)</u>	<u>54,198</u>
Current service cost	460	-	460
Net interest expense (income)	<u>3,004</u>	<u>(2,367)</u>	<u>637</u>
Recognized in profit or loss	<u>3,464</u>	<u>(2,367)</u>	<u>1,097</u>

(Continued)

	<b>Present Value of the Defined Benefit Obligation</b>	<b>Fair Value of the Plan Assets</b>	<b>Net Defined Benefit Liabilities (Assets)</b>
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	\$ -	\$ (2,002)	\$ (2,002)
Actuarial loss - changes in financial assumptions	855	-	855
Actuarial loss - experience adjustments	<u>5,677</u>	<u>-</u>	<u>5,677</u>
Recognized in other comprehensive income	<u>6,532</u>	<u>(2,002)</u>	<u>4,530</u>
Contributions from the employer	-	(6,622)	(6,622)
Benefits paid	<u>(6,606)</u>	<u>6,606</u>	<u>-</u>
Balance at December 31, 2023	<u>\$ 251,688</u>	<u>\$ (198,485)</u>	<u>\$ 53,203</u> (Concluded)

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

- 1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.
- 2) Interest risk: A decrease in the government and corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.
- 3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate(s)	1.20%	1.25%
Expected rate(s) of salary increase	2.50%	2.50%

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Discount rate(s)		
0.25% increase	<u>\$ (4,231)</u>	<u>\$ (4,517)</u>
0.25% decrease	<u>\$ 4,344</u>	<u>\$ 4,646</u>
Expected rate(s) of salary increase/decrease		
0.25% increase	<u>\$ 3,812</u>	<u>\$ 4,068</u>
0.25% decrease	<u>\$ (3,733)</u>	<u>\$ (3,977)</u>

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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Expected contributions to the plans for the next year	<u>\$ 6,642</u>	<u>\$ 6,562</u>
Average duration of the defined benefit obligation	6.83-7.73 years	7.40-8.47 years

## 20. OTHER NON-CURRENT LIABILITIES

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Guarantee deposits received	\$ 894	\$ 4,982
Others	<u>7,420</u>	<u>2,805</u>
	<u>\$ 8,314</u>	<u>\$ 7,787</u>

## 21. EQUITY

### a. Capital

#### Common stock

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Number of shares authorized (in thousands)	<u>9,266,851</u>	<u>9,266,851</u>
Shares authorized	<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>
Shares issued	<u>\$ 20,411,159</u>	<u>\$ 20,411,159</u>

### b. Capital surplus

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Arising from issuance of common shares	\$ 477,409	\$ 477,409
Difference between consideration and carrying amount adjusted arising from changes in percentage of ownership in subsidiaries	98,845	98,845
Arising from share of changes in capital surplus of associates and joint ventures	78,917	44,497
Share-based payments awards	67,562	40,931
Arising from donations	<u>20</u>	<u>20</u>
	<u>\$ 722,753</u>	<u>\$ 661,702</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 once a year.

The capital surplus from investments under the equity method and shared-based payment arrangements 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 to in the financial statements of the year following the year of earnings generation.

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

Appropriation of the 2022 earnings were as follows:

	<b>2022</b>
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 dividends 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:

	<b>2021</b>
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>).

## **22. SHARE-BASED PAYMENT ARRANGEMENTS**

On November 19, 2021, the board of directors of the Corporation's parent company has 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 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 inheritance. Besides, employees do not have preemptive rights when capital increase but do share the same rights of issued common stock of the Company's parent company (which includes but not confined to cash dividends, stock dividends, capital decrease, capital surplus cash (stock) or any rights that are originated from legal subject such as consolidation, split or stock-exchange which we called "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 years ended December 31, 2023 and 2022, the Corporation and its subsidiaries recognized \$44,331 thousand and \$45,579 thousand as compensation costs, respectively.



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

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Bond	\$ 995,156	\$ 65,377
Stock	733,998	379,613
Partnership Funds	(18,114)	(136,074)
Others	<u>472,497</u>	<u>458,336</u>
	<u>\$ 2,183,537</u>	<u>\$ 767,252</u>

For the years ended December 31, 2023 and 2022, the realized gain or loss on the Corporation and its subsidiaries' financial assets and liabilities at FVTPL included dividend income of \$185,368 thousand and \$186,355 thousand, respectively.

### 24. DEPRECIATION AND AMORTIZATION

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Property and equipment	\$ 21,842	\$ 17,642
Right-of-use asset	108,211	101,990
Investment properties	1,357	3,809
Other non-current assets	<u>4,071</u>	<u>1,802</u>
	<u>\$ 135,481</u>	<u>\$ 125,243</u>
An analysis of depreciation by function		
Operating expenses	\$ 130,053	\$ 119,632
Non-operating expenses	<u>1,357</u>	<u>3,809</u>
	<u>\$ 131,410</u>	<u>\$ 123,441</u>
An analysis of amortization by function		
Operating expenses	<u>\$ 4,071</u>	<u>\$ 1,802</u>

### 25. EMPLOYEE BENEFITS

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Employee benefit expense		
Salaries and wages	\$ 969,965	\$ 753,143
Employee insurance	45,988	49,813
Pension	17,616	26,828
Others	<u>89,079</u>	<u>46,579</u>
	<u>\$ 1,122,648</u>	<u>\$ 876,363</u>
An analysis by function		
Operating expense	<u>\$ 1,122,648</u>	<u>\$ 876,363</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 year ended December 31, 2023, the compensation of employees was \$22,000 thousand approved by the board of directors on March 8, 2024. 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, 2023 and 2022.

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>).

## 26. OTHER GAINS AND LOSSES

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Other revenue	\$ 24,799	\$ 58,147
Rent revenue	2,538	11,534
Other loss	<u>(2,935)</u>	<u>(4,135)</u>
	<u>\$ 24,402</u>	<u>\$ 65,546</u>

## 27. INCOME TAX

### a. Income tax benefit (expense)

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Current income tax		
Current period	\$ (25,136)	\$ (26,785)
Adjustments for prior year	1,340	88,960
Additional tax of unappropriated earnings	<u>-</u>	<u>(37,696)</u>
	<u>(23,796)</u>	<u>24,479</u>
Deferred income tax	<u>(48,054)</u>	<u>(10,603)</u>
Income tax benefit (expense)	<u>\$ (71,850)</u>	<u>\$ 13,876</u>

The reconciliation of accounting income and income tax benefit (expense) adjustments were as follows:

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Income tax benefit (expense) at the statutory rate	\$ (445,950)	\$ 65,658
Effect of different tax rates of group entities operating in other jurisdictions	(158,824)	(117,616)
Permanent differences	514,002	(45,678)
Prior year's adjustments	1,340	88,960
Additional income tax under the Alternative Minimum Tax Act	(8,303)	-
Unrecognized temporary differences	40,724	61,571
Additional tax of unappropriated earnings	-	(37,696)
Others	<u>(14,839)</u>	<u>(1,323)</u>
Income tax benefit (expense)	<u>\$ (71,850)</u>	<u>\$ 13,876</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:

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Tax charged from the parent company	<u>\$ 219,957</u>	<u>\$ 219,850</u>
Tax paid to the parent company	<u>\$ 546,126</u>	<u>\$ 582,962</u>

- c. Deferred tax assets and liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Deferred tax assets</u>		
Unrealized gain or loss on financial instruments	\$ 19,445	\$ 37,984
Unused loss carryforwards	<u>10,029</u>	<u>-</u>
	<u>\$ 29,474</u>	<u>\$ 37,984</u>
<u>Deferred tax liabilities</u>		
Unrealized gain or loss on financial instruments	\$ 273,781	\$ 242,985
Land value increment tax	2,159	2,159
Others	<u>10,263</u>	<u>274</u>
	<u>\$ 286,203</u>	<u>\$ 245,418</u>

- d. 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 had 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 had been examined by the tax authorities.

## 28. EARNINGS (LOSSES) PER SHARE

	Amounts (Numerator)	Weighted Average Outstanding Common Shares (Denominator) (Shares in Thousands)	Earnings (Losses) Per Share (In Dollars)
<u>For the year ended December 31, 2023</u>			
Net gain attributable to shareholder of parent company	<u>\$ 2,155,387</u>	<u>2,041,116</u>	<u>\$ 1.06</u>
<u>For the year ended December 31, 2022</u>			
Net loss attributable to shareholder of parent company	<u>\$ (320,336)</u>	<u>2,041,116</u>	<u>\$ (0.16)</u>

## 29. RELATED-PARTY TRANSACTIONS

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

<u>Related Party</u>	<u>Relationship with the Corporation and Its Subsidiaries</u>
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
KGI Life Insurance Co., Ltd.	Subsidiary of the parent company (Note)
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 Capital Growth Partners L.P.	Associate
CDIB Capital Healthcare Ventures II (Limited Partnership)	Associate
CDIB Capital Global Opportunities Fund L.P.	Associate
Alibaba Taiwan Entrepreneurs Fund I,L.P.	Other related parties
Others	Other related parties

Note: China Life Insurance Co., Ltd. changed its name to KGI Life Insurance Co., Ltd. On January 1, 2024.

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

	<b>Amount</b>
<u>December 31, 2023</u>	
KGI Commercial Bank Co., Ltd. Subsidiary of the parent company	\$ 2,800,409 265
<u>December 31, 2022</u>	
KGI Commercial Bank Co., Ltd. Subsidiary of the parent company	2,701,839 61

For the years ended December 31, 2023 and 2022, the interest income from cash in bank were \$59,668 thousand and \$21,298 thousand, respectively.

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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Parent company	\$ 219,957	\$ 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.

- c. Acquisition of financial assets at fair value through profit or loss

	<b>Subject of Transaction</b>	<b>Purchase Price</b>
<u>For the year ended December 31, 2023</u>		
KGI Life Insurance Co., Ltd.	12 partnership funds	\$ 1,005,984

- d. Disposal of investments accounted for using the equity method

	<b>Subject of Transaction</b>	<b>Transaction Amount</b>	<b>Disposal of loss</b>
<u>For the year ended December 31, 2022</u>			
KGI Life Insurance Co., Ltd.	CDIB Capital Healthcare Ventures Limited	\$ 111,217	\$ 45,226

e. Disposal of financial assets at fair value through profit or loss

	<b>Subject of Transaction</b>	<b>Transaction Amount</b>	<b>Disposal of loss</b>
<u>For the year ended December 31, 2022</u>			
KGI Life Insurance Co., Ltd.	CDIB Capital Healthcare Ventures II (Limited Partnership)	\$ 133,777	\$ 43,592

f. Disposal of property and equipment

	<b>Transaction Amount</b>	<b>Disposal of Gains</b>
<u>For the year ended December 31, 2022</u>		
KGI Life Insurance Co., Ltd.	\$ 343,000	\$ 193,303

g. Lease arrangements (as a lessee)

Acquisition of right-of-use assets

	<b>For the Year Ended December 31, 2022</b>
Subsidiary of the parent company	\$ 6,666

Lease liabilities

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
KGI Life Insurance Co., Ltd.	\$ 661,621	\$ 709,533
Subsidiary of the parent company	192	5,766

Interest expenses

	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
KGI Life Insurance Co., Ltd.	\$ 6,307	\$ 6,785
Subsidiary of the parent company	35	59

The above rental fee was determined equivalent with the market price and paid monthly/quarterly.

h. Guarantee deposits paid (recognized as other non-current assets)

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
Subsidiary of the parent company	\$ 15,044	\$ 15,044

i. Other payables

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Subsidiary of the parent company	\$ 1,032	\$ -
Associate	7,886	-
Other related parties	35,387	4,020

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

	<u>December 31</u>	
	<b>2023</b>	<b>2022</b>
Parent company	\$ 546,126	\$ 582,962

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

k. Advance receipts (recognized as other current liabilities)

	<b>Amount</b>
<u>December 31, 2023</u>	
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	\$ 19,604
CDIB Capital Healthcare Ventures II (Limited Partnership)	19,177
CDIB Capital Growth Partners L.P.	16,774
CDIB Yida Healthcare Private Equity Enterprise (Limited Partnership)	11,998
CDIB Private Equity (Fujian) Enterprise (Limited Partnership)	-
Other related parties	4,158
<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

l. Current portion of bonds payable

	<b>Amount</b>	<b>Issuance Period</b>
<u>December 31, 2023</u>		
Subsidiary of the parent company	\$ 32,187	2023/10-2024/11

m. Bonds payable

	<b>Amount</b>	<b>Issuance Period</b>
<u>December 31, 2023</u>		
Subsidiary of the parent company	\$ 16,989	2023/10-2026/09

n. Consulting service revenue

	<b>Amount</b>
<u>For the year ended December 31, 2023</u>	
CDIB Capital Asia Partners L.P.	\$ 142,690
CDIB Capital Healthcare Ventures II (Limited Partnership)	58,924
Alibaba Taiwan Entrepreneurs Fund I,L.P.	54,697
CDIB Capital Growth Partners L.P.	50,567
CDIB Capital Global Opportunities Fund L.P.	34,382
Subsidiary of the parent company	18,708
Associate	169,052
Other related parties	12,896

For the year ended December 31, 2022

CDIB Capital Asia Partners L.P.	147,328
CDIB Capital Global Opportunities Fund L.P.	67,920
CDIB Capital Growth Partners L.P.	66,068
CDIB Capital Healthcare Ventures II (Limited Partnership)	58,981
Alibaba Taiwan Entrepreneurs Fund I,L.P.	46,505
Subsidiary of the parent company	17,911
Associate	128,929
Other related parties	61,445

o. Non-maturity derivative financial instrument

December 31, 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	\$ 622,258	\$ 16,090	Financial assets at FVTPL	\$ 31,856
Subsidiary of the parent company	Cross-currency swap contract	2023/03/31-2024/03/31	225,076	(7,456)	Financial liabilities at FVTPL	7,349



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

p. Remuneration of key management personnel

	<u>For the Year Ended December 31</u>	
	<u>2023</u>	<u>2022</u>
Salary and short-term benefits	\$ 153,174	\$ 113,769
Share-based payment	7,241	6,238
Post-employment benefits	<u>252</u>	<u>1,438</u>
	<u>\$ 160,667</u>	<u>\$ 121,445</u>

### 30. 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 and its subsidiaries' 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.

### 31. FINANCIAL INSTRUMENTS

a. Fair value hierarchy of financial instruments

1) The definitions of each hierarchy are as follows:

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

2) Fair value hierarchy of financial instruments

The fair value hierarchy of financial instruments were as follows:

December 31, 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	\$ 1,707,028	\$ 137,571	\$ 6,919,917	\$ 8,764,516
Partnership funds	-	-	4,172,162	4,172,162
Others	-	-	880,483	880,483
Financial assets designated as at FVTPL	-	-	8,446,585	8,446,585
<u>Derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
	-	-	31,856	31,856
Financial liabilities				
Financial liabilities at FVTPL				
Financial liabilities held for trading	-	-	7,349	7,349

December 31, 2022

	(In Thousands of New Taiwan Dollars)			
	Level 1	Level 2	Level 3	Total
<u>Measured at fair value used by repetitive basis</u>				
<u>Non-derivative financial instruments</u>				
Financial assets				
Financial assets at FVTPL				
Financial assets mandatorily classified as at FVTPL				
Stock	\$ 1,938,333	\$ 141,241	\$ 6,861,862	\$ 8,941,436
Partnership funds	-	-	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

3) Financial instruments measured at fair value

For financial assets at fair value through profit or loss, 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 years ended December 31, 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 Year Ended December 31, 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 Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 10,487,814	\$ (158,558)	\$ 2,179,856	\$ -	\$ (504,694)	\$ -	\$ 12,004,418
Financial assets designated as at FVTPL	7,031,671	1,642,725	339,612	-	(567,423)	-	8,446,585

For the Year Ended December 31, 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 Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3 (Note)	
Financial assets at FVTPL							
Financial assets mandatorily classified as at FVTPL	\$ 9,169,532	\$ 1,291,294	\$ 400,798	\$ -	\$ (363,679)	\$ (10,131)	\$ 10,487,814
Financial assets designated as at FVTPL	4,740,512	570,082	1,924,842	-	(203,765)	-	7,031,671

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

For the Year Ended December 31, 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 Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial liabilities at FVTPL							
Held for trading	\$ -	\$ 7,349	\$ -	\$ -	\$ -	\$ -	\$ 7,349

For the Year Ended December 31, 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 Added	Transfer to Level 3	Sale, Disposal, Settlement or Derecognition	Transfer from Level 3	
Financial liabilities at FVTPL Held for trading	\$ 11,417	\$(11,417)	\$ -	\$ -	\$ -	\$ -	\$ -

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

The total gains or losses for the years ended December 31, 2023 and 2022 included gains of \$1,252,504 thousand and \$1,179,451 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 years ended December 31, 2023 and 2022 included losses of \$7,349 thousand and gains of \$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 December 31, 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	\$ 20,419,147	Market approach	P/S Lack of liquidity discount	1.28 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% 4.98%-40.00% 2.00%-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	-	-	-

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 values are approximate to their fair value; thus, their fair values are not disclosed.

2) Fair value hierarchy of financial instruments

December 31, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets</u>				
Financial assets at amortized cost	\$ -	\$ 2,123,389	\$ -	\$ 2,123,389

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

### 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

	<b>December 31</b>	
	<b>2023</b>	<b>2022</b>
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	\$ 13,849,017	\$ 12,567,388
Designated as at FVTPL	<u>8,446,585</u>	<u>7,031,671</u>
	<u>\$ 22,295,602</u>	<u>\$ 19,599,059</u>
Amortized cost		
Cash and cash equivalent	\$ 3,436,317	\$ 4,813,833
Financial assets at amortized cost	2,060,394	1,424,049
Other receivables	73,787	39,204
Other non-current assets	<u>39,644</u>	<u>53,247</u>
	<u>\$ 5,610,142</u>	<u>\$ 6,330,333</u>
<u>Financial liabilities</u>		
FVTPL		
Financial liabilities held for trading	<u>\$ 7,349</u>	<u>\$ -</u>
Amortized cost		
Short-term borrowings	\$ 4,125,948	\$ 3,940,762
Short-term bills payable	219,979	-
Current portion of bonds payable	222,289	-
Bonds payable	117,333	-
Other payables	1,852,509	1,570,602
Other non-current liabilities	<u>894</u>	<u>4,982</u>
	<u>\$ 6,538,952</u>	<u>\$ 5,516,346</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)

	<b>December 31, 2023</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate (Dollar)</b>	<b>New Taiwan Dollar</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 267,148	30.735	\$ 8,210,796
CNY	315,435	4.331	1,366,276
KRW	22,249,692	0.024	527,674
AUD	10,445	21.010	219,440
Nonmonetary items			
USD	281,479	30.735	8,651,245
CNY	169,951	4.331	736,126
EUR	8,492	34.030	288,988
KRW	9,125,463	0.024	216,419
Investment accounted for using the equity method			
USD	62,690	30.735	1,926,781
CNY	439,088	4.331	1,901,690
<u>Financial liabilities</u>			
Monetary items			
USD	41,965	30.735	1,289,793
	<b>December 31, 2022</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate (Dollar)</b>	<b>New Taiwan Dollar</b>
<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

(Continued)

	<b>December 31, 2022</b>		
	<b>Foreign Currency</b>	<b>Exchange Rate (Dollar)</b>	<b>New Taiwan Dollar</b>
Investment accounted for using the equity method			
USD	\$ 65,033	30.708	\$ 1,997,018
CNY	433,606	4.408	1,911,337
<b><u>Financial liabilities</u></b>			
Monetary items			
USD	16,753	30.708	514,462 (Concluded)

**Sensitivity analysis**

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

	<b>Impact on Profit or Loss</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Monetary items		
USD	\$ 69,210	\$ 32,806
CNY	13,292	13,024
KRW	5,277	5,413
AUD	2,194	-

b) Interest rate risk

The primary financial assets of the Corporation and its subsidiaries with exposure to interest rates as of December 31, 2023 and 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 years ended December 31, 2023 and 2022 would increase/decrease by \$171,110 thousand and \$154,079 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

	<u>December 31</u>	
	<u>2023</u>	<u>2022</u>
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	\$ 4,345,948	\$ 3,940,762
Amount unused	<u>15,347,377</u>	<u>13,368,538</u>
	<u>\$ 19,693,325</u>	<u>\$ 17,309,300</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 December 31, 2023 and 2022, other financial liabilities were \$0 thousand, and the rest of non-derivative financial liabilities were \$7,301,161 thousand and \$6,366,195 thousand, respectively, and were mainly all current liabilities.

## 32. 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 29 to the consolidated financial statements and Table 4 (attached).
  - 9) Derivative transactions: Please refer to Note 8 and Note 29 to the consolidated financial statements.
  - 10) Information on investees: Please refer to Table 5 (attached).
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Please refer to Table 6 (attached).
  - 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: For the Corporation and its subsidiaries' information: None.
- d. Intercompany relationships and significant intercompany transactions: Please refer to Table 8 (attached).

### **33. 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.

## Geographical Information

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

	<b>Revenue from External Customers</b>	
	<b>For the Year Ended December 31</b>	
	<b>2023</b>	<b>2022</b>
Taiwan	\$ 2,043,038	\$ 163,539
British Virgin Islands	676,599	(4,195)
British Cayman Islands	445,681	252,535
China	131,055	217,873
Others	<u>200,282</u>	<u>33,713</u>
	<u>\$ 3,496,655</u>	<u>\$ 663,465</u>

## CDIB CAPITAL GROUP AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE YEAR ENDED DECEMBER 31, 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	\$ 7,543,394	\$ 1,620,950	\$ 1,536,750	\$ -	\$ -	5.20%	\$ 11,817,188 (Note 2)	No	No	No
		CDIB Global Markets Limited	Note 1	6,680,689	1,620,950	1,536,750	-	-	5.20%	11,817,188 (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\$1,536,750 thousand.

## CDIB CAPITAL GROUP AND SUBSIDIARIES

## MARKETABLE SECURITIES HELD

DECEMBER 31, 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	December 31, 2023				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
The Corporation	<u>Stocks</u>							
	Logicom Inc.	-	Financial assets at fair value through profit or loss	3,261,773	\$ 11,911	10.69	\$ 11,911	
	Solar Fine Chemical Co., Ltd.	-	Financial assets at fair value through profit or loss	241,403	2,484	10.83	2,484	
	Dee Van Enterprise Co., Ltd.	-	Financial assets at fair value through profit or loss	4,225,979	62,881	6.04	62,881	
	HealthStream Taiwan Inc.	-	Financial assets at fair value through profit or loss	3,439,523	37,566	10.06	37,566	
	General Life Biotechnology Co., Ltd.	-	Financial assets at fair value through profit or loss	2,520,000	25,699	8.40	25,699	
	AMIA Co., Ltd.	-	Financial assets at fair value through profit or loss	6,000,000	157,200	8.58	157,200	
	Up Scientech Materials Corp.	-	Financial assets at fair value through profit or loss	4,186,209	81,530	6.97	81,530	
	Eastern Electronic Co., Ltd.	-	Financial assets at fair value through profit or loss	4,348,680	38,006	6.47	38,006	
	ASIA BEST LIFE CARE CO, LTD.	-	Financial assets at fair value through profit or loss	8,243,507	96,601	4.81	96,601	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	2,598,638	225,406	1.88	225,406	
	Jochu Technology Co., Ltd.	-	Financial assets at fair value through profit or loss	3,489,720	83,404	3.91	83,404	
	Kaohsiung Rapid Transit Corp.	-	Financial assets at fair value through profit or loss	3,845,330	5,438	1.38	5,438	
	Dragon Jet Corporation	-	Financial assets at fair value through profit or loss	3,534,481	27,671	4.77	27,671	
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,150,536	14,209	10.43	14,209	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	12,612	1,043	4.72	1,043	
	Eden Biologics, Inc.	-	Financial assets at fair value through profit or loss	8,382,844	66,386	3.55	66,386	
	Eastern Power and Electric Company Limited	-	Financial assets at fair value through profit or loss	805,416	13,960	12.00	13,960	
	Pyxis Oncology Inc.	-	Financial assets at fair value through profit or loss	87,841	4,860	0.22	4,860	
	Chime Biologics Limited	-	Financial assets at fair value through profit or loss	8,382,844	87,636	3.55	87,636	
Beauty Essentials International Ltd.	-	Financial assets at fair value through profit or loss	86,503,067	105,549	8.04	105,549		
United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	2,079,360	26,860	0.13	26,860		
CDIB Capital Management Corporation	<u>Stocks</u>							
	EVA Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	297,623	1,966	1.44	1,966	
CDIB Venture Capital Corporation	<u>Stocks</u>							
	Azotek Co., Ltd.	-	Financial assets at fair value through profit or loss	989,400	14,252	1.62	14,252	
	ASIA BEST LIFE CARE CO, LTD.	-	Financial assets at fair value through profit or loss	8,243,507	96,601	4.81	96,601	
	WiAdvance Technology Corporation	-	Financial assets at fair value through profit or loss	667,000	100,050	3.00	100,050	
	Changpin wind power Ltd.	-	Financial assets at fair value through profit or loss	4,200,000	105,945	17.50	105,945	
	Qiankun Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	6,860,000	68,600	49.00	68,600	
	Evergreen Aviation Technologies Corp.	-	Financial assets at fair value through profit or loss	1,524,000	165,354	0.41	165,354	
	Fukuta Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,529	230,653	4.52	230,653	
	Sustainable Development Co., Ltd.	-	Financial assets at fair value through profit or loss	1,180,645	57,190	3.01	57,190	
	Hephas Energy Co., Ltd.	-	Financial assets at fair value through profit or loss	696,000	75,400	2.52	75,400	
	21st Financial Technology 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	610,344	0.53	610,344	
	M2Communication, Inc.	-	Financial assets at fair value through profit or loss	162,815	1,546	1.63	1,546	
	Taiwan Speciality Chemicals Corporation	-	Financial assets at fair value through profit or loss	177,785	15,421	0.13	15,421	
	GSD Technologies Co., Ltd.	-	Financial assets at fair value through profit or loss	2,306,603	100,799	6.23	100,799	
	Apex Dynamics, Inc.	-	Financial assets at fair value through profit or loss	178,000	37,825	0.22	37,825	
	Yangbao Industrial Co., Ltd.	-	Financial assets at fair value through profit or loss	5,626,087	238,566	8.55	238,566	
	Taiwan Microloops Corp.	-	Financial assets at fair value through profit or loss	1,281,316	88,270	2.52	88,270	
	Poju International Co., Ltd.	-	Financial assets at fair value through profit or loss	2,666,000	53,841	5.68	53,841	
	Asia Best Healthcare Co., Ltd.	-	Financial assets at fair value through profit or loss	12,612	1,043	4.72	1,043	
Viscovery (Cayman) Holding Company Limited	-	Financial assets at fair value through profit or loss	195,317	900	2.68	900		
KKday.com International Company Limited	-	Financial assets at fair value through profit or loss	3,000,000	25,078	0.93	25,078		
Crescendo Lab	-	Financial assets at fair value through profit or loss	3,195	4,910	2.40	4,910		
Apollomics, Inc.	-	Financial assets at fair value through profit or loss	419,338	12,437	0.48	12,437		
Hartec Asia Pte. Ltd.	-	Financial assets at fair value through profit or loss	2,800,000	59,250	10.23	59,250		

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value	
	Achieve Made International Limited	-	Financial assets at fair value through profit or loss	98,355	\$ 6,605	3.30	\$ 6,605	
	21st Financial Technology 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	90,375	40.74	90,375	
	4Gamers Entertainment Inc. - preferred Stock	-	Financial assets at fair value through profit or loss	24,000	16,228	20.00	16,228	
	Viscovery (Cayman) Holding Company Limited - preferred stock	-	Financial assets at fair value through profit or loss	304,878	1,406	8.20	1,406	
	Asia Parents Holdings Limited - preferred stock	-	Financial assets at fair value through profit or loss	248,889	17,212	14.74	17,212	
	Kneron Holding Corporation - preferred stock	-	Financial assets at fair value through profit or loss	1,391,752	285,206	2.90	285,206	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock	-	Financial assets at fair value through profit or loss	4,559,686	104,617	26.09	104,617	
	Crescendo Lab - preferred stock	-	Financial assets at fair value through profit or loss	8,000	12,294	16.00	12,294	
	Zentera Systems, Inc. - preferred stock	-	Financial assets at fair value through profit or loss	1,324,503	28,056	39.35	28,056	
	FUNP Co., Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	400,000	44,258	5.39	44,258	
	Achieve Made International Limited - preferred stock	-	Financial assets at fair value through profit or loss	168,138	11,292	6.67	11,292	
	PChome Online Inc. - private common stock	-	Financial assets at fair value through profit or loss	1,875,293	73,397	1.30	73,397	
	United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	831,744	10,744	0.05	10,744	
	United Renewable Energy Co., Ltd. - private common stock	-	Financial assets at fair value through profit or loss	2,056,941	26,570	0.13	26,570	
	KKday.com International Company Limited-Preferred Stock CC	-	Financial assets at fair value through profit or loss	813,859	6,803	0.08	6,803	
	Viscovery (Cayman) Holding Company Limited - preferred stock A	-	Financial assets at fair value through profit or loss	200,000	922	10.96	922	
	Elixiron Immunotherapeutics (Cayman) Limited - preferred stock A	-	Financial assets at fair value through profit or loss	2,679,133	61,470	13.03	61,470	
	AmazingTalker - preferred stock A	-	Financial assets at fair value through profit or loss	4,282,655	61,470	12.90	61,470	
	FunNow Ltd. - preferred stock A	-	Financial assets at fair value through profit or loss	1,851,840	79,000	20.00	79,000	
	4Gamers Entertainment Inc. - preferred stock B	-	Financial assets at fair value through profit or loss	8,727	5,901	4.80	5,901	
	KKday.com International Company Limited - preferred stock B	-	Financial assets at fair value through profit or loss	5,654,616	47,270	8.66	47,270	
	TXONE NETWORKS INC. - preferred stock B	-	Financial assets at fair value through profit or loss	545,454	92,205	3.71	92,205	
	Traveler Co., Ltd - preferred stock B	-	Financial assets at fair value through profit or loss	32,077	49,570	10.85	49,570	
	FunNow Ltd. - preferred stock B	-	Financial assets at fair value through profit or loss	435,730	18,588	3.36	18,588	
	KKday.com International Company Limited - preferred stock C	-	Financial assets at fair value through profit or loss	7,655,502	63,996	2.31	63,996	
	Traveler Co., Ltd - preferred stock C	-	Financial assets at fair value through profit or loss	7,955	12,293	3.20	12,293	
	Fractyl Health, Inc. - preferred stock E	-	Financial assets at fair value through profit or loss	1,305,574	336,435	10.17	336,435	
	Achieve Made International Limited - preferred stock E	-	Financial assets at fair value through profit or loss	336,276	22,583	10.00	22,583	
	Viscovery (Cayman) Holding Company Limited - Preferred stock AA	-	Financial assets at fair value through profit or loss	300,000	1,383	15.00	1,383	
	FunNow Ltd.-Preferred Stock BB	-	Financial assets at fair value through profit or loss	576,370	24,588	13.11	24,588	
CDIB Capital Investment I Limited	<u>Stocks</u>							
	Best Inc.	-	Financial assets at fair value through profit or loss	75,000	US\$ 191	0.38	US\$ 191	
	Loopin Cayman Limited	-	Financial assets at fair value through profit or loss	1,893,948	US\$ 2,153	3.79	US\$ 2,153	
	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\$ 71	12.50	US\$ 71	
	Viking 3 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	18,000,000	US\$ 3,180	100.00	US\$ 3,180	
	Rokid Corporation Ltd - preferred stock	-	Financial assets at fair value through profit or loss	615,642	US\$ 6,351	0.78	US\$ 6,351	
	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\$ 5,054	-	US\$ 5,054	
	KKR Talk Co-invest L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 31,768	-	US\$ 31,768	
	CC KDC CO-INVEST LP	-	Financial assets at fair value through profit or loss	-	US\$ 37,247	-	US\$ 37,247	
	Alpine Investors Iceman CV-A, LP	-	Financial assets at fair value through profit or loss	-	US\$ 1,388	-	US\$ 1,388	
	<u>Corporate bonds</u>							
	Konew Capital International Limited	-	Financial assets at fair value through profit or loss	29,395,000	US\$ 28,648	-	US\$ 28,648	
	CDIB Real Estate Credit Ltd.	-	Financial assets at amortized cost	22,277,744	US\$ 22,278	-	US\$ 22,278	
SCBS 1 Holding Corporation	<u>Stocks</u>							
	Simplify Compliance Holdings, LLC	-	Financial assets at fair value through profit or loss	2,833,333	US\$ 2,716	2.91	US\$ 2,716	
CDIB X Finance I Holding Limited	<u>Corporate bond</u>							
	Xian Group Limited	-	Financial assets at amortized cost	5,000,000	US\$ 693	-	US\$ 693	
CDIB Capital Investment II Limited	<u>Stocks</u>							
	Great Rich Technologies Limited	-	Financial assets at fair value through profit or loss	1,660,000	US\$ 3,932	2.46	US\$ 3,932	
	Techmate Korea Daebu Co., Ltd.	-	Financial assets at fair value through profit or loss	45,600	US\$ 3,109	10.00	US\$ 3,109	
	Indostar Capital	-	Financial assets at fair value through profit or loss	631,701	US\$ 4,249	9.05	US\$ 4,249	

(Continued)

Holding Company	Marketable Securities Type and Issuer	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note	
				Shares/Face Value/Units	Carrying Value	Percentage of Ownership (Note 1)	Fair Value		
CDIB TMK Finance Holding Limited	NY 4 Holdings Corporation - preferred stock	-	Financial assets at fair value through profit or loss	8,080,000	US\$ 9,654	100.00	US\$ 9,654		
	Indostar Everstone - preferred stock	-	Financial assets at fair value through profit or loss	860,332	US\$ 5,759	88.76	US\$ 5,759		
	<u>Corporate bond</u> Techmate Korea Daebu Co., Ltd.	-	Financial assets at amortized cost	22,789,140,793	US\$ 17,168	-	US\$ 18,543		
CDIB Global Markets Limited	<u>Stocks</u> Osaro, Inc.	-	Financial assets at fair value through profit or loss	51,095	US\$ 418	0.59	US\$ 418		
	BigCommerce Holdings, Inc.	-	Financial assets at fair value through profit or loss	30,361	US\$ 295	0.04	US\$ 295		
	Eventbrite, Inc.	-	Financial assets at fair value through profit or loss	24,904	US\$ 208	0.03	US\$ 208		
	ContextLogic, Inc.	-	Financial assets at fair value through profit or loss	3,240	US\$ 19	-	US\$ 19		
	Flemingo International (BVI) Ltd. - preferred stock	-	Financial assets at fair value through profit or loss	1,048	US\$ 18,981	50.19	US\$ 18,981		
	Osaro, Inc. - preferred stock A	-	Financial assets at fair value through profit or loss	588,739	US\$ 244	3.27	US\$ 244		
	Osaro, Inc. - preferred stock BB	-	Financial assets at fair value through profit or loss	577,524	US\$ 558	3.16	US\$ 558		
	<u>Corporate bonds</u> 42Matraville Investment Trust	-	Financial assets at amortized cost	10,625,714	US\$ 7,114	-	US\$ 7,023		
	Weave Living Real Estate II Limited	-	Financial assets at amortized cost	2,076,944	US\$ 2,050	-	US\$ 2,077		
	Weave Living Real Estate Limited	-	Financial assets at amortized cost	6,881,539	US\$ 6,794	-	US\$ 6,882		
	Weave Living Real Estate SG Limited	-	Financial assets at amortized cost	540,067	US\$ 533	-	US\$ 540		
	<u>Funds</u> Huaxing Capital Partners II LP	-	Financial assets at fair value through profit or loss	-	US\$ 3,578	-	US\$ 3,578		
	Alpha Intelligence Capital Fund II, SCSp,SICAV-RAIF	-	Financial assets at fair value through profit or loss	-	US\$ 3,491	-	US\$ 3,491		
CDIB Pearl Holding Limited	<u>Stocks</u> Udemy, Inc.	-	Financial assets at fair value through profit or loss	33	US\$ -	-	US\$ -		
	<u>Funds</u> KKR Asian Fund III L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 1,381	-	US\$ 1,381		
	ARDIAN Buyout Fund VII A S.L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,138	-	US\$ 3,138		
	Permira VII L.P.1	-	Financial assets at fair value through profit or loss	-	US\$ 2,471	-	US\$ 2,471		
	Insight Partners (Cayman) XI, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,893	-	US\$ 3,893		
	TA XIII-B, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 2,973	-	US\$ 2,973		
	WARBURG PINCUS GLOBAL GROWTH, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,354	-	US\$ 4,354		
	EQT IX (No. 1) EUR SCSp	-	Financial assets at fair value through profit or loss	-	US\$ 3,794	-	US\$ 3,794		
	KKR EUROPEAN FUND V (USD) SCSp	-	Financial assets at fair value through profit or loss	-	US\$ 2,361	-	US\$ 2,361		
	Carlyle Partners VII, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,204	-	US\$ 4,204		
	KKR Health Care Strategic Growth Fund L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 1,494	-	US\$ 1,494		
	Thoma Bravo Fund XIII-A, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 3,408	-	US\$ 3,408		
	The Veritas Capital Fund VII, L.P.	-	Financial assets at fair value through profit or loss	-	US\$ 4,750	-	US\$ 4,750		
	CDIB Real Estate Credit Ltd.	<u>Corporate bonds</u> Sino Money Investments Limited	-	Financial assets at amortized cost	4,986,569	US\$ 4,923	-	US\$ 4,987	
		StorHub Hong Kong I Limited	-	Financial assets at amortized cost	1,291,923	US\$ 1,266	-	US\$ 1,292	
StorHub Hong Kong IV Limited		-	Financial assets at amortized cost	2,101,959	US\$ 2,059	-	US\$ 2,102		
StorHub Hong Kong VI Limited		-	Financial assets at amortized cost	5,477,324	US\$ 5,365	-	US\$ 5,477		
StorHub Hong Kong V Ltd		-	Financial assets at amortized cost	6,580,216	US\$ 6,446	-	US\$ 6,580		
StorHub Hong Kong III Ltd		-	Financial assets at amortized cost	2,235,102	US\$ 2,189	-	US\$ 2,235		
StorHub Hong Kong VII Ltd		-	Financial assets at amortized cost	4,127,132	US\$ 4,043	-	US\$ 4,127		
Belcher I (BVI) Limited		-	Financial assets at amortized cost	3,576,203	US\$ 3,503	-	US\$ 3,576		
Belcher II (BVI) Limited		-	Financial assets at amortized cost	1,493,073	US\$ 1,463	-	US\$ 1,493		
Belcher III (BVI) Limited		-	Financial assets at amortized cost	1,458,242	US\$ 1,428	-	US\$ 1,458		

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

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

(Concluded)

## CDIB CAPITAL GROUP AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL  
(THE CORPORATION'S SUBSIDIARIES AMOUNTING TO NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL)  
FOR THE YEAR ENDED DECEMBER 31, 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	<u>Stock</u> 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	<u>Stock</u> CDIB Pearl Holding Limited	Investments accounted for using the equity method	-	-	-	-	34,000	US\$ 40,363 (Note 1)	-	-	-	-	34,000	US\$ 40,363
CDIB Capital Investment I Limited	<u>Fund</u> Eve & Partners Limited Partnership	Financial assets at fair value through profit or loss	-	-	-	6,958	-	US\$ 65	-	US\$ 11,050	US\$ 6,836	US\$ 4,027	-	US\$ 187
	<u>Corporate bond</u> CDIB Real Estate Credit Ltd.	Financial assets at amortized cost	CDIB Real Estate Credit Ltd.	Subsidiary	-	-	22,277,744	US\$ 22,278	-	-	-	-	22,277,744	US\$ 22,278
	<u>Stock</u> CDIB NY 5 LLC	Investments accounted for using the equity method	-	-	-	-	-	US\$ 14,649 (Note 2)	-	-	-	-	-	US\$ 14,649

Note 1: The amount includes \$34,000 thousand of capital increase and \$6,363 thousand of gain on investments.

Note 2: The amount includes \$14,721 thousand of capital increase and \$72 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**

**DECEMBER 31, 2023**

**(In Thousands of New Taiwan Dollars)**

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Year	Allowance for Bad Debts
					Amount	Action Taken		
The Corporation	China Development Financial Holding Corporation	Parent company	\$ 219,957 (Note)	-	\$ -	-	\$ -	\$ -

Note: Tax receivable results from linked-tax system.

## CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
FOR THE YEAR ENDED DECEMBER 31, 2023  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 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	\$ 6,214,155 (Note 1)	\$ 614,012	\$ 614,012	Subsidiary
	CDIB Capital Management Corporation	Taiwan	Management and consulting	-	-	23,094	100.00	533,440 (Note 1)	41,668	41,668	Subsidiary
	CDIB Global Markets Limited	British Virgin Islands	Investment	3,035,254	3,035,254	339	100.00	6,680,689 (Note 1)	US\$ 35,689	1,112,798	Subsidiary
	CDIB Capital Investment I Limited	British Virgin Islands	Investment	4,156,297	4,156,297	132,800	100.00	7,444,607 (Note 1)	US\$ (11,053)	(344,622)	Subsidiary
	CDIB Capital Investment II Limited	British Virgin Islands	Investment	1,417,214	1,417,214	45,000	100.00	1,751,709 (Note 1)	US\$ 4,651	145,005	Subsidiary
	CDIB Capital International Corporation	Cayman Islands	Private equity advisory services	156,951	156,951	4,700	100.00	435,162 (Note 1)	US\$ (369)	(11,508)	Subsidiary
	CDIB Venture Capital (Hong Kong) Corporation Limited	Hong Kong	Venture fund	3,146,470	3,146,470	925,000	100.00	3,580,486 (Note 1)	HK\$ 41,105	163,727	Subsidiary
	CDIB & Partners Investment Holding Corp.	Taiwan	Investment	3,250,000	3,250,000	313,200	28.71	4,932,909	1,907,032	541,661	Associates
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	86,336	229,500	8,634	21.86	418,911	685,085	149,740	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	316,220	349,200	31,622	38.80	177,459	(5,333)	(2,069)	Associates
	CDIB Bioscience Ventures I, Inc.	Taiwan	Venture fund	44,314	44,314	4,431	20.00	4,025	(48,998)	(9,800)	Associates
CDIB Capital Innovation Accelerator Co., Ltd.	Taiwan	Venture fund	300,000	300,000	33,954	35.71	573,585	20,458	Not applicable	Associates	
CDIB Venture Capital Corporation	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	850,830	957,903	-	-	1,151,509	937,761	Not applicable	Associates
	CDIB Capital Healthcare Ventures II Limited Partnership	Taiwan	Venture fund	222,968	222,968	-	-	370,370	531,205	Not applicable	Associates
	CDIB & Innolux Limited Partnership	Taiwan	Venture fund	302,986	202,643	-	-	393,786	242,477	Not applicable	Associates
	GPPC Development Corp.	Taiwan	Accommodation and food service activities	50,000	50,000	5,000	14.29	4,754	(169,675)	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	347,322 (Note 1)	HK\$ 1,159	Not applicable	Subsidiary
	CDIB Capital Innovation Advisors Corporation	Taiwan	Management and consulting	12,000	12,000	1,200	60.00	13,245 (Note 1)	283	Not applicable	Subsidiary
	CDIB Capital Healthcare Ventures Limited	Taiwan	Venture fund	3,950	10,500	395	1.00	4,574	685,085	Not applicable	Associates
	CDIB Capital Creative Industries Limited	Taiwan	Venture fund	8,150	9,000	815	1.00	19,166	(5,333)	Not applicable	Associates
	CDIB Capital Growth Partners L.P.	Taiwan	Venture fund	34,428	38,784	-	-	46,849	937,761	Not applicable	Associates
	CDIB Capital Healthcare Ventures II Limited Partnership	Taiwan	Venture fund	19,506	19,506	-	-	32,403	531,205	Not applicable	Associates
	CDIB & Innolux Limited Partnership	Taiwan	Venture fund	10,735	7,180	-	-	13,954	242,477	Not applicable	Associates
	CDIB-Mac Limited Partnership	Taiwan	Venture fund	2,680	350	-	-	2,676	(19,990)	Not applicable	Associates
CDIB Capital Investment I Limited	CDIB Capital Asia Partners L.P.	Cayman Islands	Venture fund	US\$ 109,584	US\$ 94,684	-	-	US\$ 62,690	US\$ (758)	Not applicable	Associates
	CDIB Capital Global Opportunities Fund L.P.	Cayman Islands	Venture fund	US\$ 16,710	US\$ 9,820	-	-	US\$ 18,077	US\$ 7,884	Not applicable	Associates
	Eve & Partners Limited Partnership	Cayman Islands	Venture fund	US\$ -	US\$ 6,959	-	-	US\$ 187	GBP -	Not applicable	Associates
	SCBS I Holding Corporation	United States of America	Investment Holdings	US\$ 3,828	US\$ 3,828	4	100.00	US\$ 2,812 (Note 1)	US\$ 601	Not applicable	Subsidiary
	CDIB X Finance I Holding Limited	Cayman Islands	Investment	US\$ 5,500	US\$ 5,500	6	100.00	US\$ 651 (Note 1)	US\$ (1,677)	Not applicable	Subsidiary
	CDIB NY 5 LLC	United States of America	Investment Holdings	US\$ 14,721	US\$ -	-	98.13	US\$ 14,649 (Note 1)	US\$ (72)	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\$ 21,541 (Note 1)	US\$ 2,359	Not applicable	Subsidiary
CDIB Global Markets Limited	Orchid Investment Holdings	Cayman Islands	Investment Holdings	US\$ 28,107	US\$ 28,107	-	-	US\$ 27,367	US\$ 3,676	Not applicable	Associates
	Amber Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 30,091	US\$ 30,091	-	-	US\$ 45,137	US\$ (11,369)	Not applicable	Associates
	CDIB Medtech Holdings Limited	Cayman Islands	Investment Holdings	US\$ 10,000	US\$ 10,000	-	-	US\$ 19,000	US\$ -	Not applicable	Associates
	CDIB Medtech Investment Partners Limited	Cayman Islands	Investment Holdings	US\$ 25,000	US\$ 25,000	-	-	US\$ 47,500	US\$ (6,900)	Not applicable	Associates
	AIC Tahoe, Limited Partnership	United States of America	Investment Holdings	US\$ 9,474	US\$ 9,474	-	-	US\$ 9,490	US\$ (37,159)	Not applicable	Associates
	CDIB Pearl Holding Limited	Cayman Islands	Investment	US\$ 34,000	US\$ -	34	100.00	US\$ 40,363 (Note 1)	US\$ 6,363	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\$ 7,589 (Note 1)	HK\$ 4,648	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\$ 3,360 (Note 1)	US\$ 105	Not applicable	Subsidiary
	CDIB Capital Asia Partners Limited	Cayman Islands	Private equity advisory services	US\$ 300	US\$ 150	-	100.00	US\$ 134 (Note 1)	US\$ (18)	Not applicable	Subsidiary
	CDIB Intelligence Partners Limited (Note 2)	Cayman Islands	Private equity advisory services	-	-	-	100.00	-	-	Not applicable	Subsidiary
	CDIB Buyout Partners Limited	Cayman Islands	Private equity advisory services	US\$ 150	US\$ 150	50	100.00	US\$ 94 (Note 1)	US\$ (17)	Not applicable	Subsidiary
	CDIB Asia Secured Credit Opportunities GP Ltd. (Note 3)	Cayman Islands	Private equity advisory services	-	-	-	100.00	-	US\$ -	Not applicable	Subsidiary
CDIB Real Estate Credit Ltd.	Cayman Islands	Investment	-	-	-	100.00	US\$ (643)	US\$ (643)	Not applicable	Subsidiary	

(Continued)

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

Note 2: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020; however, it had not been injected any capital as of December 31, 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 December 31, 2023.

(Concluded)

## CDIB CAPITAL GROUP AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA  
DECEMBER 31, 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 December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Value as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 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	\$ 3,675	100.00	\$ 3,675	\$ 284,384	\$ -
CDIB Private Equity (Fujian) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 3	-	-	-	-	1,679	70.00	1,175	61,032	-
CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund Management	CNY 12,000 thousand	Note 1,b,1)	CNY 6,686 thousand	-	-	CNY 6,686 thousand	(1,181)	70.00	(827)	33,160	-
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	(107,749)	-	(38,031)	730,740	-
CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 7,000 thousand	Note 4	-	-	-	-	4,045	65.00	2,629	60,905	-
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	5,186	65.00	3,371	37,261	-
CDIB Yida Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 713,367 thousand	Note 1,b,1),2)	CNY 300,000 thousand	-	-	CNY 300,000 thousand	543,458	-	164,921	1,170,950	-
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	237,748	-	61,564	719,009	-
CDIB Private Equity (Kunshan) Corporation	Fund Management	CNY 10,000 thousand	Note 1,b,1)	-	-	-	-	(10,930)	100.00	(10,930)	22,483	-
CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund Management	CNY 10,000 thousand	Note 1,b,1)	-	-	-	-	18	65.00	12	28,324	-
CDIB Taiwan Business Private Equity (Kunshan) Enterprise (Limited Partnership)	Equity investment	CNY 67,200 thousand	Note 1,b,1)	-	-	-	-	(3,236)	-	(193)	17,136	-

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on Investment
\$6,010,044	\$8,044,082	\$18,050,005

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.

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.

**CDIB CAPITAL GROUP AND SUBSIDIARIES**

**SUBSIDIARIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

Consolidated entities

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
The Corporation	CDIB Capital Management Corporation	Management and consulting	100.00	100.00	
	CDIB Venture Capital Corporation	Venture fund	100.00	100.00	
	CDIB Venture Capital (Hong Kong) Corporation Limited	Venture fund	100.00	100.00	
	CDIB Global Markets Limited	Investment	100.00	100.00	
	CDIB Capital Investment I Limited	Investment	100.00	100.00	
	CDIB Capital Investment II Limited	Investment	100.00	100.00	
	CDIB Capital International Corporation	Private equity advisory services	100.00	100.00	
CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	Private equity advisory services	100.00	100.00	
	CDIB Capital International (USA) Corporation	Private equity advisory services	100.00	100.00	
	CDIB Capital Asia Partners Limited	Private equity advisory services	100.00	100.00	
	CDIB Intelligence Partners Limited	Private equity advisory services	100.00	100.00	Note 1
	CDIB Buyout Partners Limited	Private equity advisory services	100.00	100.00	
	CDIB Asia Secured Credit Opportunities GP Ltd.	Private equity advisory services	100.00	100.00	Note 2
	CDIB Real Estate Credit Ltd.	Investment	100.00	-	
CDIB Capital Investment I Limited	SCBS 1 Holding Corporation	Investment Holdings	100.00	100.00	
	CDIB X Finance I Holding Limited	Investment	100.00	100.00	
	CDIB NY 5 LLC	Investment Holdings	98.13	-	
CDIB Capital Investment II Limited	CDIB TMK Finance Holding Limited	Investment	100.00	100.00	
CDIB Global Markets Limited	CDIB Pearl Holding Limited	Investment	100.00	-	
CDIB Capital Management Corporation	CDIB Private Equity (Hong Kong) Corporation Limited	Management and consulting	100.00	100.00	
	CDIB Capital Innovation Advisors Corporation	Management and consulting	60.00	60.00	
CDIB Private Equity (Hong Kong) Corporation Limited	CDIB Yida Private Equity Management (Kunshan) Enterprise (Limited Partnership)	Fund management	27.08	27.08	
	CDIB Private Equity (China) Corporation	Management and consulting	100.00	100.00	
	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	56.00	56.00	
CDIB Private Equity (China) Corporation	CDIB Yida Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	
	CDIB Private Equity (Fujian) Co., Ltd.	Fund management	70.00	70.00	
	CDIB Private Equity (Kunshan) Corporation	Fund management	100.00	100.00	
	CDIB Guoke Private Equity (Kunshan) Co., Ltd.	Fund management	65.00	65.00	

(Continued)

Investor Company	Subsidiaries	Main Business and Products	Percentage of Ownership		Note
			December 31, 2023	December 31, 2022	
CDIB Private Equity (Fujian) Co., Ltd.	CDIB Private Equity Management (Fujian) Enterprise (Limited Partnership)	Fund management	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	

Note 1: CDIB Intelligence Partners Limited conducted registration of establishment on February 28, 2020; however, it had not been injected any capital as of December 31, 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 December 31, 2023.

(Concluded)

## CDIB CAPITAL GROUP AND SUBSIDIARIES

**BUSINESS RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE YEAR ENDED DECEMBER 31, 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 Corporation	CDIB Global Markets Limited	3	Consulting service revenues	\$ 113,292	Note 4	3.24%
2	CDIB Global Markets Limited	CDIB Capital International Corporation	3	Operating expenses	113,292	Note 4	3.24%
1	CDIB Capital International Corporation	CDIB Capital Investment I Limited	3	Consulting service revenues	103,947	Note 4	2.97%
3	CDIB Capital Investment I Limited	CDIB Capital International Corporation	3	Operating expenses	103,947	Note 4	2.97%
4	CDIB Capital International (Hong Kong) Corporation Limited	CDIB Capital International Corporation	3	Consulting service revenues	300,549	Note 4	8.60%
1	CDIB Capital International Corporation	CDIB Capital International (Hong Kong) Corporation Limited	3	Operating expenses	300,549	Note 4	8.60%
3	CDIB Capital Investment I Limited	CDIB Real Estate Credit Ltd.	3	Financial assets at amortized cost - non-current	236,553	Note 4	0.61%
5	CDIB Real Estate Credit Ltd.	CDIB Capital Investment I Limited	3	Bonds payables	236,553	Note 4	0.61%
3	CDIB Capital Investment I Limited	CDIB Real Estate Credit Ltd.	3	Financial assets at amortized cost - current	448,154	Note 4	1.16%
5	CDIB Real Estate Credit Ltd.	CDIB Capital Investment I Limited	3	Current portion of bonds payable	448,154	Note 4	1.16%

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.