

**INTERNATIONAL COOPERATION AND
DEVELOPMENT FUND
FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT ACCOUNTANTS
DECEMBER 31, 2018 AND 2017**

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

REPORT OF INDEPENDENT ACCOUNTANTS TRANSLATED FROM CHINESE

PWCR18000278

To the International Cooperation and Development Fund (Taiwan ICDF)

Opinion

We have audited the accompanying balance sheets of the International Cooperation and Development Fund (Taiwan ICDF) as at December 31, 2018 and 2017, and the related statements of revenues and expenses, of changes in fund balances and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Taiwan ICDF as at December 31, 2018 and 2017, and its results of operations and its cash flows for the years then ended in accordance with the requirements of accounting policies described in Note 2.

Basis for opinion

We conducted our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and generally accepted auditing standards in the Republic of China (ROC GAAS). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Taiwan ICDF in accordance with the Code of Professional Ethics for Certified Public Accountants in the Republic of China (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of accounting policies described in Note 2, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



資誠

In preparing the financial statements, management is responsible for assessing the Taiwan ICDF's 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 Taiwan ICDF or to cease operations, or has no realistic alternative but to do so.

Emphasis of matters-custodianship of certain assets

As described in Note 20 to the financial statements, certain assets were placed under the custodianship of Taiwan ICDF at the request of the owners and these assets are not reflected in the financial statements. The details of these assets are disclosed for reference purposes only.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 ROC GAAS 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 financial statements.

As part of an audit in accordance with ROC GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 Taiwan ICDF's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



資誠

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 Taiwan ICDF's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Taiwan ICDF to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Lee, Hsiu-Ling

For and on Behalf of PricewaterhouseCoopers, Taiwan

March 20, 2019

The accompanying financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND
BALANCE SHEETS
DECEMBER 31, 2018 AND 2017
(Expressed in New Taiwan dollars)

ASSETS	Notes	2018		2017	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	4	\$ 5,837,101,581	37	\$ 6,415,799,711	40
Held-to-maturity financial assets - current	6	387,517,911	3	355,186,476	2
Other receivables	7	137,882,738	1	106,589,020	1
Prepayments		53,699,730	-	35,065,627	-
Other current assets		50,370,945	-	107,908,357	1
Current portion of long-term loans receivable	8 and 19	<u>225,907,652</u>	<u>2</u>	<u>291,826,550</u>	<u>2</u>
Current Assets		<u>6,692,480,557</u>	<u>43</u>	<u>7,312,375,741</u>	<u>46</u>
LONG-TERM LOANS AND INVESTMENTS					
Long-term loans receivable	8 and 19	2,949,746,881	19	2,781,831,515	18
Available-for-sale financial assets - noncurrent	5	-	-	-	-
Held-to-maturity financial assets - noncurrent	6	4,029,621,436	25	3,601,358,629	23
Financial assets carried at cost - noncurrent	9 and 19	<u>2,061,417,118</u>	<u>13</u>	<u>2,094,072,076</u>	<u>13</u>
		<u>9,040,785,435</u>	<u>57</u>	<u>8,477,262,220</u>	<u>54</u>
FIXED ASSETS					
Cost	10	49,709,682	-	48,073,936	-
Less: Accumulated depreciation		(<u>29,664,511</u>)	-	(<u>27,289,437</u>)	-
		<u>20,045,171</u>	-	<u>20,784,499</u>	-
OTHER ASSETS					
Deposits-out		327,657	-	304,407	-
Deferred expenses		9,157,957	-	14,378,804	-
		<u>9,485,614</u>	-	<u>14,683,211</u>	-
TOTAL ASSETS		<u>\$ 15,762,796,777</u>	<u>100</u>	<u>\$ 15,825,105,671</u>	<u>100</u>
LIABILITIES AND FUND BALANCES					
CURRENT LIABILITIES					
Payables	11	\$ 129,720,862	1	\$ 85,587,362	1
Collections payable		2,431,950	-	2,420,782	-
Other current liabilities		<u>68,651</u>	-	<u>67,200</u>	-
		<u>132,221,463</u>	<u>1</u>	<u>88,075,344</u>	<u>1</u>
OTHER LIABILITIES					
Deposits-in		11,762,000	-	14,270,500	-
Other liabilities		<u>131,873</u>	-	<u>193,407</u>	-
Other Liabilities		<u>11,893,873</u>	-	<u>14,463,907</u>	-
TOTAL LIABILITIES		<u>144,115,336</u>	<u>1</u>	<u>102,539,251</u>	<u>1</u>
FUND BALANCES					
Funds	14	12,468,838,072	79	12,468,838,072	79
Accumulated earnings	15	<u>3,149,843,369</u>	<u>20</u>	<u>3,253,728,348</u>	<u>20</u>
TOTAL FUND BALANCES		<u>15,618,681,441</u>	<u>99</u>	<u>15,722,566,420</u>	<u>99</u>
TOTAL LIABILITIES AND FUND BALANCES		<u>\$ 15,762,796,777</u>	<u>100</u>	<u>\$ 15,825,105,671</u>	<u>100</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND
STATEMENTS OF REVENUES AND EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in New Taiwan dollars)

Items	Notes	2018		2017	
		Amount	%	Amount	%
OPERATING REVENUES					
Revenues from contracted projects		\$ 1,256,977,175	95	\$ 1,062,861,803	90
Revenues from banking and finance operations		68,900,868	5	112,696,855	10
		<u>1,325,878,043</u>	<u>100</u>	<u>1,175,558,658</u>	<u>100</u>
OPERATING EXPENSES					
Contracted project expenses	12	(1,256,977,175)	(95)	(1,062,861,803)	(90)
Humanitarian assistance expenses		(25,933,639)	(2)	(9,276,560)	(1)
International human resources		(90,327,470)	(7)	(90,205,713)	(8)
Banking and finance operations	9	(36,869,369)	(3)	(15,429,797)	(1)
Technical cooperation expenses		(38,307,495)	(3)	(36,716,045)	(3)
General and administrative expenses		(140,041,694)	(10)	(139,716,738)	(12)
		<u>(1,588,456,842)</u>	<u>(120)</u>	<u>(1,354,206,656)</u>	<u>(115)</u>
NET OPERATING LOSSES		<u>(262,578,799)</u>	<u>(20)</u>	<u>(178,647,998)</u>	<u>(15)</u>
NON-OPERATING INCOME AND GAINS					
Interest on fund investments		178,534,282	14	159,139,131	13
Investment income		-	-	1,956,000	-
Gain on disposal of investments	5	-	-	9,947,002	1
Other revenues	16	12,450,458	1	21,901,664	2
Sales Allowance		<u>190,984,740</u>	<u>15</u>	<u>192,943,797</u>	<u>16</u>
NON-OPERATING EXPENSES AND LOSSES					
Loss on disposal of fixed assets		(537,344)	-	(1,129,270)	-
Exchange losses		(31,651,654)	(3)	(85,694,983)	(7)
Other expenses		(101,922)	-	(174,139)	-
		<u>(32,290,920)</u>	<u>(3)</u>	<u>(86,998,392)</u>	<u>(7)</u>
DEFICIENCY OF REVENUES OVER EXPENSES					
		<u>(\$ 103,884,979)</u>	<u>(8)</u>	<u>(\$ 72,702,593)</u>	<u>(6)</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND
STATEMENTS OF CHANGES IN FUND BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in New Taiwan dollars)

	<u>Fund</u>	<u>Accumulated earnings</u>	<u>Unrealized gain (loss) on financial instruments</u>	<u>Total</u>
<u>2017</u>				
Balance at January 1, 2017	\$ 12,468,838,072	\$ 3,326,430,941	\$ 1,143,384	\$ 15,796,412,397
Deficiency of revenues over expenses for 2017	-	(72,702,593)	-	(72,702,593)
Unrealized loss on financial instruments	-	-	(1,143,384)	(1,143,384)
Balance at December 31, 2017	<u>\$ 12,468,838,072</u>	<u>\$ 3,253,728,348</u>	<u>\$ -</u>	<u>\$ 15,722,566,420</u>
<u>2018</u>				
Balance at January 1, 2017	\$ 12,468,838,072	\$ 3,253,728,348	\$ -	\$ 15,722,566,420
Deficiency of revenues over expenses for 2018	-	(103,884,979)	-	(103,884,979)
Balance at December 31, 2018	<u>\$ 12,468,838,072</u>	<u>\$ 3,149,843,369</u>	<u>\$ -</u>	<u>\$ 15,618,681,441</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017
(Expressed in New Taiwan dollars)

	Notes	2018	2017
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Deficiency of revenues over expenses	(\$	103,884,979)	(\$ 72,702,593)
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation		4,608,086	4,886,380
Amortization		6,687,747	6,778,622
Reversal of allowance for bad debts	(	3,514,937)	(14,822,044)
Written-off of allowance for bad debts		-	(1,284,600)
Held-to-maturity financial assets - interest amortization		3,629,616	5,791,549
Gain on disposal of investment		-	(9,947,002)
Loss on disposal of fixed assets		537,344	1,129,270
Financial assets carried at cost-impairment loss		29,380,098	-
Changes in assets and liabilities			
Receivables	(	11,596,973)	5,717,471
Prepayments		2,893,376	3,774,081
Other current assets		57,537,412	4,250,023
Accrued expenses		5,473,097	(2,258,250)
Other payables		642,949	(54,400,962)
Collections payable		11,168	705,990
Other current liabilities		1,451	(327,766)
Other liabilities	(	61,534)	(354,199)
Cash outflow generated from operations	(	7,656,079)	(123,064,030)
Net cash flows used in operating activities	(	7,656,079)	(123,064,030)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Increase in long-term lending	(	482,233,940)	(13,117,749)
Proceeds from long-term loans receivable		383,767,326	447,710,346
Proceeds from disposal of available-for-sale financial assets		-	67,320,618
Acquisition of held-to-maturity financial assets	(	823,132,090)	(518,208,343)
Proceeds upon maturity of held-to-maturity financial assets		355,686,545	88,985,388
Acquisition of financial assets carried at cost		-	(405,270,000)
Withdrawal of financial assets carried at cost		3,274,860	1,302,158
Acquisition of fixed assets	(	4,406,102)	(2,598,163)
Proceeds from disposal of fixed assets		-	507,485
(Increase) decrease in deposits-out	(	23,250)	354,649
Increase in deferred assets	(	1,466,900)	(3,298,345)
Net cash flows used in investing activities	(	568,533,551)	(336,311,956)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
(Decrease) increase in deposits-in	(	2,508,500)	365,500
Net cash flows (used in) from financing activities	(	2,508,500)	365,500
Net decrease in cash and cash equivalents	(	578,698,130)	(459,010,486)
Cash and cash equivalents at beginning of year		6,415,799,711	6,874,810,197
Cash and cash equivalents at end of year	<u>\$</u>	<u>5,837,101,581</u>	<u>\$</u> <u>6,415,799,711</u>

The accompanying notes are an integral part of these financial statements.

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

(Expressed in New Taiwan dollars, except as otherwise indicated)

1. ORGANIZATION AND HISTORY

(1) In accordance with the Statute for the Establishment of the International Cooperation and Development Fund, promulgated by the President of the Republic of China, the International Cooperation and Development Fund (Taiwan ICDF) was formed and approved by the Ministry of Foreign Affairs (MOFA) on June 29, 1996. Taiwan ICDF was formed to succeed the International Economic Cooperation Development Fund (IECDF) management committee on June 30, 1996.

The mission of Taiwan ICDF is to provide assistance to developing countries to promote economic growth, strengthening international cooperation, developing foreign relations with allies and friendly countries, and advancing social progress.

(2) As of December 31, 2018, Taiwan ICDF had 121 employees.

2. SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of Taiwan ICDF are prepared in accordance with Taiwan ICDF's accounting policies approved by Ministry of Foreign Affairs, R.O.C.; the relevant laws and regulations formulated by the central government and generally accepted accounting principles. The significant accounting policies are summarized as follows:

(1) Accounting Basis

Government funding are recognised as revenue at current expenses plus accrual reserved fund as total annual expenses based on matching of costs with revenues. Others are accounted at accrual basis. In addition, the financial statements of Taiwan ICDF adopted accrual basis, anything accounted at cash basis will be adjusted to accrual basis during closing of accounts.

(2) Foreign Currency Translation

Taiwan ICDF maintains its accounts in New Taiwan (NT) dollars. Transactions denominated in foreign currencies are converted into NT dollars at the spot exchange rates prevailing on the transaction dates. Deposits, receivables and the unreimbursed balance of reserves payable by the Central Bank of the Republic of China due to engaged programmes denominated in foreign currencies are translated at the spot exchange rates prevailing at the balance sheet date. Exchange gains or losses are recognized in profit or loss. The other assets denominated in foreign currencies are measured at the historical exchange rate at the date of the transaction.

(3) Classification of Current and Non-current Items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

- (a) Assets arising from operating activities that are expected to be realized or consumed, or are intended to be sold within the normal operating cycle;
- (b) Assets held mainly for trading purposes;
- (c) Assets that are expected to be realized within twelve months from the balance sheet date;
- (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to pay off liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

- (a) Liabilities arising from operating activities that are expected to be paid off within the normal operating cycle;
 - (b) Liabilities arising mainly from trading activities;
 - (c) Liabilities that are to be paid off within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date.
- (4) Cash Equivalents
Cash and cash equivalents include cash on hand and in banks, and other short-term highly liquid investments, which are readily convertible to a fixed amount of cash and which are subject to insignificant risk of changes in value resulting from fluctuations in interest rates.
- (5) Allowance for Uncollectible Accounts
The provision of reserve for bad debts is made based on their risk levels in accordance with the Regulation for Taiwan ICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.
- (6) Financial Assets and Financial Liabilities at Fair Value through Profit or Loss
A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments.
B. Listed stocks and exchange traded funds are measured at their fair value, and the changes in the fair value are included in profit or loss. The fair value of the listed stocks and exchange traded funds is their closing price at the balance sheet date.
- (7) Available-for-Sale Financial Assets
A. Investments in equity instruments are accounted for using trade date accounting. Investments in debt instruments are accounted for using settlement date accounting, and are measured initially at the fair value of the debt instruments. Market value of available-for-sale financial assets is the fair value plus increasing price.
B. Available-for-sale financial assets are evaluated by fair value. Moreover, value changes are recognized into the adjusted net value. The accumulated gain or loss is recognized in net income or loss when the financial assets are sold. Index stock fund is evaluated by fair value based on the closing prices at the balance sheet date.
C. If there is objective evidence of impairment, the accumulated loss previously recognized in net value is reclassified to profit or loss. If the fair value of equity instrument subsequently increases, the impairment loss is reversed to net value.
- (8) Held-to-maturity Financial Assets
A. Held-to-maturity financial assets are recorded using settlement date accounting and are stated initially at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.
B. Held-to-maturity financial assets are recorded at amortized cost.
C. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss. If the fair value of the financial asset subsequently increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed to the extent of the loss previously recognized in profit or loss.
- (9) Financial Assets Carried at Cost
Financial assets carried at cost are recorded at cost. If there is any objective evidence that the financial asset is impaired, the impairment loss is recognized in profit or loss and is no longer recoverable.
- (10) Long-term Loans Receivable
Foreign currency loans are stated at historical exchange rates.

(11) Fixed Assets

Fixed assets are stated at cost. Major improvements and renewals are capitalized and depreciated accordingly. Maintenance and repairs are expensed as incurred. When assets are disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is credited or charged to income. Depreciation is provided under the straight-line method based on the assets' estimated economic service lives. The service lives of the major fixed assets are 3 to 10 years.

(12) Impairment of Non-financial Assets

Taiwan ICDF recognizes impairment loss when there is indication that the recoverable amount of an asset is less than its book value. The recoverable amount is the higher of the fair value less costs to sell and value in use. The fair value less costs to sell is the amount obtainable from the sale of the asset in an arm's length transaction after deducting any direct incremental disposal costs. The value in use is the present value of estimated future cash flows to be derived from continuing use of the asset and from its disposal at the end of its useful life. When the impairment no longer exists, the impairment loss recognized in prior years may be recovered.

(13) Retirement Plan

A. Taiwan ICDF had a non-contributory pension plan originally, covering all regular employees, which was defined by the Fund. Taiwan ICDF contributed monthly an amount based on 7% of the employees' monthly salaries and wages to the retirement fund deposited with a financial institution. This fund balance was not reflected in the financial statements. Effective September 1, 2009, Taiwan ICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, Taiwan ICDF contributes monthly an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. No further contributions are made to Taiwan ICDF's retirement fund.

B. Under the defined contribution pension plan, net periodic pension costs are recognized as incurred.

(14) Income Tax

Income tax is accounted in accordance with the Standard for Non-profit Organizations Exempt from Income Tax promulgated by the Executive Yuan, and Statement of Financial Accounting Standards. Under- or over-provision of income tax in the previous year is accounted for as an adjustment of income tax expense in the current year.

(15) Reserve for Contingencies of Guarantee Loss

Taiwan ICDF issues guarantees for private enterprises to secure loans in compliance with the Regulation for Taiwan ICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises which invest in Countries with Formal Diplomatic Relationships promulgated by the MOFA. The reserve is accrued in accordance with the Regulation for Taiwan ICDF Dealings with Past-Due/Non-Performing Loans and Bad Debts.

(16) Revenues, Costs and Expenses

Revenues (including government donations) are recognized when the earning process is substantially completed and is realized or realizable. Costs and expenses are recognized as incurred.

(17) Use of Estimates

The preparation of financial statements in conformity with Statement of Financial Accounting Standards requires management to make estimates and assumptions that affect the amounts of assets and liabilities and the disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those assumptions and estimates.

(18) Settlement Date Accounting

Taiwan ICDF adopted settlement date accounting for the financial assets. For financial asset or financial liability classified as at fair value through profit or loss, the change in fair value is recognized in profit or loss.

3. CHANGES IN ACCOUNTING PRINCIPLES

None.

4. CASH AND CASH EQUIVALENTS

	December 31,	
	2018	2017
Petty cash	\$ 110,000	\$ 110,000
Demand deposits	178,021,866	455,374,251
Time deposits	5,558,969,715	5,960,315,460
Cash equivalents		
- Bonds purchased under resale agreements	100,000,000	-
	<u>\$ 5,837,101,581</u>	<u>\$ 6,415,799,711</u>

5. AVAILABLE-FOR-SALE FINANCIAL ASSETS – NON-CURRENT

(1) The disposal of available-for-sale financial assets are recognised as current gains as shown below:

	For the years ended December 31,	
	2018	2017
Proceeds from sale of available-for-sale financial assets	\$ -	\$ 67,320,618
Book value	-	(57,373,616)
	<u>\$ -</u>	<u>\$ 9,947,002</u>

(2) The fair values of investment in exchange traded funds are based on the closing price in market on balance sheet date.

6. HELD-TO-MATURITY FINANCIAL ASSETS

	December 31,	
	2018	2017
<u>Current items</u>		
Corporate bonds	<u>\$ 387,517,911</u>	<u>\$ 355,186,476</u>
<u>Non-current items</u>		
Corporate bonds	\$ 3,747,688,566	\$ 3,508,529,931
Government bonds	281,932,870	92,828,698
	<u>\$ 4,029,621,436</u>	<u>\$ 3,601,358,629</u>

7. OTHER RECEIVABLES

	December 31,	
	2018	2017
Interest receivable	\$ 101,992,541	\$ 95,613,474
Retained money receivable on completed projects	27,498,784	11,008,809
Other receivable	8,981,744	542,151
	138,473,069	107,164,434
Less: Allowance for doubtful accounts	(590,331)	(575,414)
	<u>\$ 137,882,738</u>	<u>\$ 106,589,020</u>

8. LONG-TERM LOANS RECEIVABLE

	December 31,	
	2018	2017
<u>Current items</u>		
Current portion of long-term loans receivable	\$ 234,429,930	\$ 300,755,549
Less: Allowance for doubtful accounts	(8,522,278)	(8,928,999)
Net	<u>\$ 225,907,652</u>	<u>\$ 291,826,550</u>
<u>Non-current items</u>		
Long-term loans receivable	3,013,227,038	2,848,434,805
Less: Allowance for doubtful accounts	(63,480,157)	(66,603,290)
Net	<u>\$ 2,949,746,881</u>	<u>\$ 2,781,831,515</u>
Total	<u>\$ 3,175,654,533</u>	<u>\$ 3,073,658,065</u>

- (1) Taiwan ICDF provides long-term loans in accordance with the Regulations for Loans by the International Cooperation and Development Fund as approved by the Executive Yuan. As of December 31, 2018 and 2017, the total outstanding loans denominated in U.S. dollars, Australia dollars and Euro dollars amounted to US\$60,104,801.31, AU\$20,227,983, € 20,837,674.52 and US\$56,538,680.82, AU\$20,227,983 and € 20,837,674.52, respectively.
- (2) Allowances for doubtful accounts were based on the Regulation for Taiwan ICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.
- (3) As Parque Industrial Oriente S.A. (PIO) defaulted on the loan extended for the Industrial Park Development Project in Paraguay amounting to US\$11,003,488.32, Taiwan ICDF filed a legal claim against PIO on September 1, 2003. The court in Ciudad del Este ruled in favor of Taiwan ICDF in the first trial on March 26, 2004. PIO filed an appeal, which was rejected. Accordingly, it was proposed that the Industrial Park be auctioned off. Under Taiwan ICDF's 51st board resolution, Taiwan ICDF has agreed, under a term of 20 years, for MOFA to repay the remaining loan balance. Although the MOFA agreed to pay off the remaining balance annually for 3 years beginning 2012 on December 13, 2012, payments of only US\$3,293,162.77 and US\$400,000 were made in years 2012 and 2013, respectively. The MOFA stated in a letter dated on April 16, 2014 that there were no budgets made by MOFA for the payments for year 2014. However, the installments would resume starting from 2015 through annual budgets. There were no payments made by MOFA for year 2014, and payments of US\$500,000 were made in years 2015 to 2018. As of December 31, 2018, the MOFA had repaid US\$7,793,162.77 and the remaining balance was US\$3,210,325.55.
- (4) There was no significant past due loan as of December 31, 2018 and 2017.
- (5) See Appendix 1 for the statement of changes in long-term loans for the year ended December 31, 2018.

9. FINANCIAL ASSETS CARRIED AT COST

As of December 31, 2018 and 2017, the details of financial assets at cost are as follows:

	December 31, 2018		December 31, 2017	
	Carrying Amount		Carrying Amount	
	(NT\$)	Ownership	(NT\$)	Ownership
<u>Equity investments accounted for using cost method:</u>				
Overseas Investment & Development Corporation	\$ 175,000,000	19.44%	\$ 175,000,000	19.44%
Less: Accumulated Impairment	(6,000,000)		(6,000,000)	
	<u>169,000,000</u>		<u>169,000,000</u>	
BTS India Private Equity Fund Limited	120,516,315	6.80%	123,791,175	6.80%
	(=US\$ 3,857,799)		(=US\$ 3,966,643)	
Less: Accumulated Impairment	(96,162,718)		(91,859,099)	
	(=US\$ 3,135,340)		(=US\$ 2,995,225)	
	<u>24,353,597</u>		<u>31,932,076</u>	
Taiwan's Agricultural Development Corporation	20,000,000	8.33%	20,000,000	8.33%
Less: Accumulated Impairment	(6,910,615)		-	
	<u>13,089,385</u>		<u>20,000,000</u>	
	<u>206,442,982</u>		<u>220,932,076</u>	
<u>International institution investment fund:</u>				
FIISF-Small Business Account-Phase III	922,210,000		922,210,000	
	(=US\$ 30,000,000)		(=US\$ 30,000,000)	
Agribusiness Account	474,630,000		474,630,000	
	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
Less: Accumulated Impairment	(18,165,864)		-	
	(=US\$ 591,433)		(=US\$ -)	
	<u>1,378,674,136</u>		<u>1,396,840,000</u>	
EBRD Financial Intermediary and Private Enterprises Investment	476,300,000		476,300,000	
Special Fund- Agribusiness Account	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
	<u>1,854,974,136</u>		<u>1,873,140,000</u>	
Total	\$ 2,061,417,118		\$ 2,094,072,076	

(1) Taiwan ICDF engaged the EBRD to manage the FIISF-Small Business Account III and to jointly provide funds for investments and loans in small businesses. Under the agreement, the total investment amount was US\$20,000,000. In this issue, the Financial Intermediary Investment Special Fund (FIISF)-Small Business Account II was incorporated into the Financial Intermediary Investment Special Fund (FIISF)-Small Business Account III. Taiwan ICDF's accumulated contribution amounted to US\$30,000,000 as of December 31, 2018 and 2017.

- (2) Taiwan ICDF engaged the Multilateral Investment Fund (MIF), which belongs to the Inter-American Development Bank Group, to manage the Specialized Financial Intermediary Development Fund, a financing vehicle co-established by the said two parties. MIF uses its own resources and the fund's resources on a pari-passu basis to directly or indirectly invest in, or make loans to well-performing microfinance institutions. Under the agreement, the total investment amount was US\$15,000,000, and Taiwan ICDF's accumulated contribution to the fund amounted to US\$15,000,000 as of December 31, 2018 and 2017.
- (3) Taiwan ICDF engaged the Foundation commissioned EBRD for processing EBRD Financial Intermediary and Private Enterprises Investment Special Fund- Agribusiness Account, and promoting agriculture business in joint venture with EBRD. Under the agreement, the total investment amount was US\$15,000,000, and Taiwan ICDF's accumulated contribution to the fund amounted to US\$15,000,000 as of December 31, 2018 and 2017.
- (4) The above listed foreign currency investments projects are stated using the historical exchange rate.
- (5) See Appendix 2 for the statement of changes in financial assets carried at cost for the year ended December 31, 2018.

10. FIXED ASSETS

	December 31, 2018		
	Cost	Accumulated	
		Depreciation	Net Book Value
Mechanical equipment	\$ 37,035,686	\$ 21,446,843	\$ 15,588,843
Communication & transportation equipment	3,565,597	2,191,342	1,374,255
Miscellaneous equipment	5,251,345	3,055,767	2,195,578
Leasehold improvements	3,857,054	2,970,559	886,495
	<u>\$ 49,709,682</u>	<u>\$ 29,664,511</u>	<u>\$ 20,045,171</u>

	December 31, 2017		
	Cost	Accumulated	
		Depreciation	Net Book Value
Mechanical equipment	\$ 35,492,832	\$ 20,029,243	\$ 15,463,589
Communication & transportation equipment	3,489,497	1,892,944	1,596,553
Miscellaneous equipment	5,234,553	2,673,116	2,561,437
Leasehold improvements	3,857,054	2,694,134	1,162,920
	<u>\$ 48,073,936</u>	<u>\$ 27,289,437</u>	<u>\$ 20,784,499</u>

See Appendix 3 for the statement of changes in fixed assets for the year ended December 31, 2018.

11. PAYABLES

	December 31,	
	2018	2017
Accrued expenses	\$ 40,536,164	\$ 35,063,067
Retained money payable on completed projects	69,527,279	31,509,825
Other payables	19,657,419	19,014,470
	<u>\$ 129,720,862</u>	<u>\$ 85,587,362</u>

12. CONTRACTED PROJECT EXPENSES

	For the years ended December 31,	
	2018	2017
Personnel expenses	\$ 424,192,427	\$ 425,429,683
Operating expenses	681,147,464	531,202,007
Travel and transportation expense	45,240,798	51,174,433
Equipment investment expense	106,396,486	55,055,680
	<u>\$ 1,256,977,175</u>	<u>\$ 1,062,861,803</u>

13. INCOME TAX

Activities and related expenses of Taiwan ICDF are in compliance with “Standard for Non-profit Organizations Exempt from Income Tax”. Accordingly, Taiwan ICDF is exempt from income tax. The income tax returns through 2016 have been assessed and approved by the Tax Authority.

14. FUNDS

	December 31,	
	2018	2017
Founding Fund	\$ 11,614,338,576	\$ 11,614,338,576
Donated Fund	854,499,496	854,499,496
	<u>\$ 12,468,838,072</u>	<u>\$ 12,468,838,072</u>

- (1) The founding fund balance of \$11,614,338,576 (Total assets of \$11,634,131,427 less total liabilities of \$19,792,851) was derived from the closure of the IECDF management committee on June 30, 1996. In the official registration with the court, the total property value filed as \$11,634,131,427 was based on the closing balance of assets of the IECDF management committee. Taiwan ICDF applied the change for the registration of total amount of the assets to \$15,722,566,420 to the court on September 5, 2018, and there was no change as of December 31, 2018.
- (2) The donated fund of Taiwan ICDF consisted of the following items:
 - A. The amount of \$4,423,541 from MOFA’s Committee of International Technical Cooperation (CITC) was consolidated in Taiwan ICDF on July 1, 1997.
 - B. The amount of \$600,000,000 was donated by the MOFA on January 16, 1999.
 - C. The MOFA provided the amount of \$250,075,955 on December 31, 2001 under the Regulation for Taiwan ICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships. Taiwan ICDF had fulfilled the obligations of the guarantee amounting to \$152,665,834 as of December 31, 2018.

15. ACCUMULATED EARNINGS

Taiwan ICDF is registered as a consortium juridical person with the aim of strengthening international cooperation and enhancing foreign relations by promoting economic development, social progress and the welfare of the people in partner nations around the world. As Taiwan ICDF is a non-profit organization, distribution of income is not permitted in accordance with its Articles of Association.

16. OTHER REVENUES

	For the years ended December 31,	
	2018	2017
Reversal of allowance for doubtful accounts	\$ 3,514,937	\$ 14,822,044
Subsidy and donation income	4,534,050	1,595,279
Others	4,401,471	5,484,341
	<u>\$ 12,450,458</u>	<u>\$ 21,901,664</u>

17. RETIREMENT FUNDS

- (1) Taiwan ICDF contributes monthly an amount based on seven percent of the employees' remuneration and deposits it with a financial institution. This fund balance is not reflected in the financial statements. The fund balance with financial institution were \$97,437,497 and \$94,130,724 as of December 31, 2018 and 2017, respectively.
- (2) The details of employees' retirement funds allocated by Taiwan ICDF are as follows:

	For the years ended December 31,	
	2018	2017
Balance at the beginning of the year	\$ 94,130,724	\$ 97,028,704
Interest income	980,565	1,094,161
Contribution during the year	2,326,208	-
Payments during the year	-	(3,992,141)
Balance at the end of the year	<u>\$ 97,437,497</u>	<u>\$ 94,130,724</u>

- (3) Effective September 1, 2009, Taiwan ICDF has been the entity covered by the Labor Standards Law and has adopted the following two schemes:

Scheme A: the pension and severance obligation are settled and the settled amounts are transferred to Taiwan ICDF's retirement fund deposited with the financial institution. The employees may claim pension benefits when they retire or reach 55 years old or upon their death.

Scheme B: the pension and severance obligation are not settled and the old pension plan is extended.

Accordingly, Taiwan ICDF recognized an accrued pension reserve of \$16,014,156 for the excess of present value of pension benefits for the past and future service years under the old pension plan over the fair value of the pension fund at the measurement date, September 1, 2009 and contributed the amount to the account in 2010.

- (4) Effective September 1, 2009, Taiwan ICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, Taiwan ICDF contributes monthly depending on the contribution grades an amount based on 7% of the payroll grades corresponding to the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued in the employees' individual pension accounts could be received in full or in monthly installments when the employees retire. The pension costs under the New Plan for the years ended December 31, 2018 and 2017 amounted to \$10,288,317 and \$6,697,747, respectively.

18. PERSONNEL EXPENSES, DEPRECIATION AND AMORTIZATION

Personnel expenses, depreciation and amortization are all classified under operating expenses. Details are as follows:

	For the years ended December 31,	
	2018	2017
Personnel expenses		
Salaries	\$ 150,477,552	\$ 141,124,432
Labor and health insurance	11,025,998	10,800,351
Pension	10,288,317	6,697,747
Others	2,686,794	2,968,408
	<u>\$ 174,478,661</u>	<u>\$ 161,590,938</u>
Depreciation	<u>\$ 4,608,086</u>	<u>\$ 4,886,380</u>
Amortization	<u>\$ 6,687,747</u>	<u>\$ 6,778,622</u>

19. COMMITMENTS AND CONTINGENCIES

- (1) Pursuant to the Regulations for Loans by the International Cooperation and Development Fund, the loan amount in U.S. dollars under the loan agreements entered into by Taiwan ICDF amounted to US\$194,474,578.92 and US\$225,909,063.81 as of December 31, 2018 and 2017, respectively. The total amount of loans drawn down amounted to US\$141,274,789.48 and US\$177,543,067.09, and the undisbursed committed balance amounted to US\$53,199,789.44 and US\$48,365,996.72 as of December 31, 2018 and 2017, respectively. Additionally, the loan amount in Euro dollars amounted to € 56,553,755.54 as of December 31, 2018 and 2017. The total amount of loans drawn down amounted to € 20,837,674.52, and the undisbursed committed balance amounted to € 35,716,081.02 as of December 31, 2018 and 2017. Moreover, the loan amount in Australia dollars amounted to AU\$20,227,983.00 as of December 31, 2018 and 2017. The total amount of loans drawn down amounted to AU\$20,227,983.00, and the undisbursed committed balance amounted to AU\$0 as of December 31, 2018 and 2017.
- (2) Pursuant to the Regulations for Investments by the International Cooperation and Development Fund, the committed amounts denominated in U.S. dollars under the outstanding contracts entered into by Taiwan ICDF amounted to US\$65,000,000, of which US\$64,215,985 had been invested as of December 31, 2018 and 2017, respectively. The undisbursed committed balance amounted to US\$0 as of December 31, 2018 and 2017. Additionally, the committed amounts denominated in NT dollars under the outstanding investment agreement entered into by Taiwan ICDF has been fully disbursed, with the balance of NT\$195,000,000 as of December 31, 2018 and 2017. The undisbursed committed balance amounted to NT\$0 as of December 31, 2018 and 2017.
- (3) Taiwan ICDF had entered into a lease agreement with the MOFA to lease state-owned real estate properties. As per the lease agreement, the lease period is from October 1, 2015 to September 30, 2020 with the rents charged on a monthly basis. The rents are calculated as follows:
 - A. Land: 3% of the most recent official land price per square meter multiplied by the rental area and divided by 12.
 - B. Building: 10% of the current taxable building value divided by 12.

20. PROPERTIES UNDER CUSTODIANSHIP

- (1) The government has placed certain assets under Taiwan ICDF's custodianship and management. These properties are entered into memo accounts: "Properties under Custodianship" and "Custodianship Property Payable".

The properties under custodianship were accounted for at cost. Expenditures for major procurement, renewals and improvements were debited to "Properties under Custodianship" and credited to "Custodianship Property Payable". Moreover, the repairs and maintenance expenditures shall be treated as revenues and expenditures of these projects. Upon disposal, the cost was deducted from the book amount. As of December 31, 2018 and 2017, the book value of fixed assets under custodianship was \$305,170,397 and \$247,362,094, respectively. In addition, as of December 31, 2018 and 2017, the reserve for severance pay for personnel stationed abroad in charge of the government's assignments, which were administered by Taiwan ICDF on behalf of government and for contracted assistants of Taiwan ICDF amounted to \$32,122,207 and \$35,356,589, respectively.

- (2) The MOFA has engaged Taiwan ICDF to manage the Central American Economic Development Fund (ROC-CAEDF). As of December 31, 2018 and 2017, the total amount of ROC-CAEDF was \$7,940,072,590 and \$7,599,139,025, respectively, and the details of the financial assets of the ROC-CAEDF are as follows:

	December 31, 2018	
	US\$	NT\$
Demand deposits	\$ 1,305,714.00	\$ 40,105,005
Time deposits	240,411,254.28	7,384,231,673
Interest receivable	4,474,955.08	137,446,743
Prepaid expenses	225,468.91	6,953,461
Corporate bonds	12,137,425.66	371,335,708
	<u>\$ 258,554,817.93</u>	<u>\$ 7,940,072,590</u>

	December 31, 2017	
	US\$	NT\$
Demand deposits	\$ 688,062.61	\$ 20,476,743
Time deposits	251,416,631.69	7,482,158,959
Interest receivable	3,019,672.41	89,865,451
Prepaid expenses	221,299.28	6,637,872
	<u>\$ 255,345,665.99</u>	<u>\$ 7,599,139,025</u>

Appendix 1

International Cooperation and Development Fund
Statement of Changes in Long-term Loans
For the Year Ended December 31, 2018

(Expressed in NTS)

Item	Beginning Balance	Increase in long-term loans	Collection of long-term loans	Ending Balance	Collection Term
Industrial Park Development Project in Paraguay, reimbursed by the guarantor, MOFA	\$ 126,162,771	\$ -	\$ 17,216,910	\$ 108,945,861	May. 2010~May. 2029 (Note)
Highway Construction Loan Project in Costa Rica	48,649,983	-	48,649,983	-	Nov. 2006 ~ May. 2018
Quimistan Valley Irrigation Project in Honduras	72,398,239	-	18,648,029	53,750,210	Nov. 2005 ~ Nov. 2021
Housing Solidarity Reconstruction Program in Honduras	55,440,000	-	9,240,000	46,200,000	May. 2004 ~ Nov. 2023
Phase I Solidarity Reconstruction Program in Nicaragua	64,115,835	-	9,920,790	54,195,045	Jul. 2004 ~ Jan. 2024
Phase II Housing Solidarity Reconstruction Program in Nicaragua	65,181,296	-	8,185,124	56,996,172	Mar. 2006 ~ Sep. 2025
Guatemala Rio Polochic Region Recovery Program	41,742,059	-	6,927,300	34,814,759	Jul. 2004 ~ Jan. 2024
Technical Education Project in Guatemala	78,584,670	-	17,563,780	61,020,890	Aug. 2007 ~ Feb. 2022
Housing Solidarity Reconstruction Program in El Salvador	43,035,987	-	6,526,961	36,509,026	Nov. 2004 ~ May. 2024
Program for Environmental Pollution Control in Critical Areas in El Salvador	60,369,980	-	17,533,014	42,836,966	Nov. 2006 ~ May. 2021
Belize Tourism Development Project / Caracol road	35,802,114	-	4,237,307	31,564,807	Nov. 2005 ~ May. 2026
Belize Southern Highway Rehabilitation Project	32,602,486	-	21,778,548	10,823,938	Aug. 2003 ~ Feb. 2019
Program for Modernizing the National Congress and the Office of the Comptroller General in Dominican Republic	55,007,354	-	6,597,947	48,409,407	Nov. 2004 ~ May. 2026
Drinking Water Distribution Project in Petion-Ville-Lot I in Haiti	24,835,234	-	2,871,915	21,963,319	May. 2007 ~ Nov. 2029
Third Urban Water-Supply Project in Papua New Guinea	11,874,342	-	11,874,342	-	Nov. 2000 ~ Nov. 2018
Two International Roads Project	3,671,147	-	3,671,147	-	Nov. 2003 ~ May. 2018
Rural Credit Project in Burkina Faso	26,463,390	-	4,779,416	21,683,974	Nov. 2005 ~ May. 2023
Microfinancing and Capacity Building Project in the Gambia	7,473,665	-	533,833	6,939,832	Mar. 2010 ~ Sep. 2024
Agricultural Production Reactivation Phase II in Nicaragua	94,816,915	-	8,781,860	86,035,055	Mar. 2011 ~ Sep. 2028
Lower Usuthu Smallholder Irrigation Project in Swaziland	75,624,570	-	8,897,010	66,727,560	Jul. 2009 ~ Jan. 2026

International Cooperation and Development Fund
Statement of Changes in Long-term Loans
For the Year Ended December 31, 2018

(Expressed in NT\$)

Item	Beginning Balance	Increase in		Collection of		Ending Balance	Collection Term
		long-term loans	long-term loans	long-term loans	long-term loans		
Information Technology School Project	\$ 96,199,447	\$ -	\$ 7,439,598	\$ 88,759,849	88,759,849	88,759,849	Sep. 2014 ~ Mar. 2031
Technical and Vocational Education and Training Project in the Gambia	51,213,605	-	3,674,690	47,538,915	47,538,915	47,538,915	Jan. 2016~Jul. 2031
CABEI's Special Fund for the Social Transformation of Central America	121,060,542	-	10,088,379	110,972,163	110,972,163	110,972,163	May. 2012~Nov. 2029
CABEI SMME Re-lending Project--Phase II	124,821,429	-	41,607,142	83,214,287	83,214,287	83,214,287	Jan. 2014~Jul. 2020
CABEI's Special Fund for the Social Transformation of Central America Phase II	244,768,562	-	15,684,818	229,083,744	229,083,744	229,083,744	Nov. 2014~May. 2032
Taiwan ICDF-CABEI Technological and Vocational Education and	43,227,549	-	6,026,815	37,200,734	37,200,734	37,200,734	Jan. 2015~Jul. 2024
FINCORP MSME Re-lending Project	62,716,500	-	62,716,500	-	-	-	Jul. 2014~Jan. 2019
Repair and Upgrade of Bonriki International Airport (Kiribati)	489,421,455	-	-	489,421,455	489,421,455	489,421,455	Sep. 2021~Mar.2044
Belize City House of Culture and the Downtown Rejuvenation Project	28,812,749	11,833,396	2,094,168	38,551,977	38,551,977	38,551,977	Mar. 2018 ~ Sep. 2031
The Green Energy Special Fund	863,096,479	-	-	863,096,479	863,096,479	863,096,479	The period depends on the sub-projects.
The Home Energy Efficiency and Renewable Energy Project In The Republic Of The Marshall Islands	-	30,840,000	-	30,840,000	30,840,000	30,840,000	Nov. 2021~May. 2031
National Broadband Plan	-	347,700,544	-	347,700,544	347,700,544	347,700,544	Jul. 2021~Jan. 2030
Integral Microfinance Project (El Salvador)	-	91,860,000	-	91,860,000	91,860,000	91,860,000	Jul. 2019~Jan. 2026
	3,149,190,354	\$ 482,233,940	\$ 383,767,326	3,247,656,968	3,247,656,968	3,247,656,968	
Less: Allowance for doubtful accounts	(75,532,289)			(72,002,435)			
	\$ 3,073,658,065			\$ 3,175,654,533		\$ 3,175,654,533	

Note: Although the MOFA agreed to pay off the remaining balance annually for 3 years beginning 2012 on December 13, 2012, payments of only US\$3,293,162.77 and US\$400,000 were made in years 2012 and 2013, respectively. The MOFA stated in a letter dated on April 16, 2014 that there were no budgets made by MOFA for the payments for year 2014. However, the installments would resume starting from 2015 through annual budgets. There were no payments made by MOFA for year 2014, and payments of US\$500,000 were made in years 2015 to 2018. As of December 31, 2018, the MOFA had repaid US\$7,793,162.77 and the remaining balance was US\$3,210,325.55.

Appendix 2

International Cooperation and Development Fund
Statement of Changes in Fixed Assets
For the Year Ended December 31, 2018

(Expressed in NT\$)

	Beginning Balance		Acquisition of Long-term Investments		Decrease in Long-term Investments		Ending Balance		Ownership	Note
	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount		
Equity investments accounted for using cost method:										
Overseas Investment & Development Corporation	19.44%	\$ 175,000,000	-	\$ -	-	\$ -	19.44%	\$ 175,000,000		None
Less: Accumulated impairment		(6,000,000)						(6,000,000)		
		169,000,000						169,000,000		
BTS Private Equity Fund in India	6.80%	123,791,175				3,274,860	6.80%	120,516,315		None
Less: Accumulated impairment		(91,859,099)		(4,303,619)				(96,162,718)		
		31,932,076		(4,303,619)		3,274,860		24,353,597		
Taiwan's Agricultural Development Corporation	8.33%	20,000,000					8.33%	20,000,000		None
Less: Accumulated impairment		-		(6,910,615)				(6,910,615)		
		20,000,000		(6,910,615)				13,089,385		
		220,932,076		(11,214,234)		3,274,860		206,442,982		
International Institution Investment Fund:										
Agribusiness Account		474,630,000						474,630,000		None
FIISF-Small Business Account-Phase III		922,210,000						922,210,000		None
Less: Accumulated impairment		-		(18,165,864)				(18,165,864)		
		1,396,840,000		(18,165,864)				1,378,674,136		
		476,300,000						476,300,000		None
Financial Intermediary Development Fund		1,873,140,000		(18,165,864)				1,854,974,136		
		2,094,072,076		(\$ 29,380,098)		\$ 3,274,860		\$ 2,061,417,118		

Appendix 3

International Cooperation and Development Fund
Statement of Changes in Fixed Assets
For the Year Ended December 31, 2018

(Expressed in NT\$)

	Beginning Balance	Acquisition	Disposal	Ending Balance
Cost				
Mechanical equipment	\$ 35,492,832	\$ 4,239,760	(\$ 2,696,906)	\$ 37,035,686
Communication & transportation equipment	3,489,497	96,000	(19,900)	3,565,597
Miscellaneous equipment	5,234,553	70,342	(53,550)	5,251,345
Leasehold improvements	3,857,054	-	-	3,857,054
	<u>48,073,936</u>	<u>4,406,102</u>	<u>(2,770,356)</u>	<u>49,709,682</u>
Accumulated depreciation				
Mechanical equipment	\$ 20,029,243	\$ 3,589,402	(\$ 2,171,802)	\$ 21,446,843
Communication & transportation equipment	1,892,944	314,982	(16,584)	2,191,342
Miscellaneous equipment	2,673,116	427,277	(44,626)	3,055,767
Leasehold improvements	2,694,134	276,425	-	2,970,559
	<u>27,289,437</u>	<u>4,608,086</u>	<u>(2,233,012)</u>	<u>29,664,511</u>
Net book value	<u>\$ 20,784,499</u>			<u>\$ 20,045,171</u>