

Appendix II

1. Independent Auditor's Report

2. Financial Statements

Balance Sheets

Statements of Income

Statements of Changes in Equity

Statements of Cash Flows

Notes to Financial Statements

Exchange Rate Note: The exchange rate from Bank of Taiwan on 31 December 2002 was NTD34.75 to USD 1.

Independent Auditor's Report



14F, 111, SEC.2, NANKING E. RD. TAIPEI 104 ROC
台北市 104 南京東路 2 段 111 號 14 樓(頂樓)
TEL: (02) 2516-5255 (代表號)
FAX: (02) 2516-0312 統一編號: 01045217

NO.073591EA

The Board of Directors
International Cooperation and Development Fund

We have audited the balance sheets of the International Cooperation and Development Fund as of December 31, 2002 and 2001, and the related statements of income, changes in equity and cash flows for the periods then ended. These financial statements are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial positions of the International Cooperation and Development Fund as of December 31, 2002 and 2001, and the results of its operations and its cash flows for the periods then ended, in conformity with note No.2 and generally accepted accounting principles in the Republic of China (ROC).

Clock & Co., CPAs
February 10, 2003

Financial Statements

International Cooperation and Development Fund

Balance Sheets

December 31, 2002 and 2001

(Expressed in New Taiwan Dollars)

ASSETS	NOTES	2002		2001	
		Amount	%	Amount	%
CURRENT ASSETS		\$ 9,744,627,379	61.39	\$ 9,559,305,352	61.14
Cash and cash equivalents	2, 4	6,512,287,248	41.03	5,189,553,219	33.19
Short-term investments	2, 5	3,015,729,652	19.00	4,075,100,214	26.06
Other receivables	6	188,785,770	1.19	244,497,794	1.56
Other current assets		27,824,709	0.17	50,154,125	0.32
LONG-TERM INVESTMENTS AND LENDING		6,108,399,662	38.48	6,048,555,622	38.68
Long-term lending	2, 7	6,403,326,881	40.34	6,392,677,474	40.88
Less: Allowance for uncollectable accounts		(839,359,777)	(5.29)	(747,500,000)	(4.78)
		5,563,967,104	35.05	5,645,177,474	36.10
Long-term investments	2, 8	544,432,558	3.43	403,378,148	2.58
FIXED ASSETS	2, 9	19,237,557	0.12	27,035,549	0.17
Information equipment		16,793,729	0.11	18,093,821	0.12
Communication & transportation equipment		1,879,520	0.01	2,566,520	0.02
Miscellaneous equipment		2,977,397	0.02	4,456,723	0.03
Lease improvement		19,470,073	0.12	26,317,073	0.17
		41,120,719	0.26	51,434,137	0.33
Less: Accumulated depreciation		(21,883,162)	(0.14)	(24,398,588)	(0.16)
OTHER ASSETS		696,170	0.01	1,172,077	0.01
Deposits to suppliers		256,374	—	472,002	—
Intangible assets	2	439,796	0.01	700,075	0.01
TOTAL ASSETS		\$15,872,960,768	100.00	\$15,636,068,600	100.00

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

International Cooperation and Development Fund

Balance Sheets

December 31, 2002 and 2001

(Expressed in New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	2002		2001	
		Amount	%	Amount	%
CURRENT LIABILITIES		\$ 979,748,413	6.17	\$ 897,629,804	5.74
Short-term debt	10	915,000,000	5.76	840,079,110	5.37
Accrued expenses and other payable		30,392,608	0.19	13,424,654	0.09
Retained money payable		32,223,439	0.20	44,126,040	0.28
Other current liabilities		2,132,366	0.02	—	—
OTHER LIABILITIES		8,092,593	0.05	12,485,290	0.08
Deposits received		2,892,915	0.02	2,209,791	0.01
Collects for others		5,199,678	0.03	10,275,499	0.07
TOTAL LIABILITIES		987,841,006	6.22	910,115,094	5.82
FUNDS AND SURPLUS					
Initial funds	11	11,614,338,576	73.17	11,614,338,576	74.28
Donated funds	11	1,052,319,496	6.63	1,052,319,496	6.73
Accumulated surplus		2,218,461,690	13.98	2,059,295,434	13.17
TOTAL EQUITY		14,885,119,762	93.78	14,725,953,506	94.18
TOTAL LIABILITIES AND EQUITY		\$15,872,960,768	100.00	\$15,636,068,600	100.00

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

International Cooperation and Development Fund

Statements of Income

For the Periods Ended December 31, 2002 and 2001

(Expressed in New Taiwan Dollars)

DESCRIPTION	NOTES	2002		2001	
		Amount	%	Amount	%
REVENUES		\$ 2,038,664,754	100.00	\$ 2,104,833,121	100.00
Revenues from contracted projects	2	1,244,132,328	61.03	1,178,653,025	56.00
Revenues from investment & lending		244,701,987	12.00	263,991,861	12.54
Interest from fund		230,745,869	11.32	305,398,897	14.51
Investment income		2,248,112	0.11	1,442,200	0.07
Miscellaneous revenues		9,150,165	0.45	—	—
Other revenues		11,700	—	6,975,868	0.33
Gain on disposal of investments		150,067,617	7.36	96,700,048	4.59
Foreign exchange gain	2	157,606,976	7.73	222,270,698	10.56
Gain on market price recovery of short-term investment		—	—	29,400,524	1.40
EXPENSES		1,879,498,498	92.20	1,765,382,212	83.87
Contracted projects expenses	2	1,244,132,328	61.03	1,178,653,025	56.00
Investment & lending expenses		174,396,433	8.55	211,839,018	10.06
Education training expenses		112,694,463	5.53	90,971,126	4.32
Technical cooperation expenses		88,490,999	4.34	79,233,151	3.76
Business plan expenses		49,660,017	2.44	17,189,734	0.82
General & administrative expenses		92,170,096	4.52	77,647,164	3.69
Interest expenses		30,084,919	1.48	24,270,435	1.15
Other expenses		3,005,803	0.15	—	—
Losses on sales of short-term investments		84,863,440	4.16	85,578,559	4.07
NET INCOME		\$ 159,166,256	7.80	\$ 339,450,909	16.13

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

International Cooperation and Development Fund

Statements of Changes in Equity

For the Periods Ended December 31, 2002 and 2001

(Expressed in New Taiwan Dollars)

DESCRIPTION	INITIAL FUNDS	DONATED FUNDS	ACCUMULATED	TOTAL SURPLUS
Balance, January 1, 2001	\$ 11,614,338,576	\$ 604,423,541	\$ 1,719,844,525	\$ 13,938,606,642
Donated funds	—	447,895,955	—	447,895,955
Income for 2001	—	—	339,450,909	339,450,909
Balance, December 31, 2001	11,614,338,576	1,052,319,496	2,059,295,434	14,725,953,506
Income for 2002	—	—	159,166,256	159,166,256
Balance, December 31, 2002	\$ 11,614,338,576	\$ 1,052,319,496	\$ 2,218,461,690	\$ 14,885,119,762

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

International Cooperation and Development Fund

Statements of Cash Flows

For the Periods Ended December 31, 2002 and 2001

(Expressed in New Taiwan Dollars)

DESCRIPTION	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 159,166,256	\$ 339,450,909
Adjustments:		
Depreciation expenses	7,349,616	7,709,269
Amortization expenses	260,279	81,045
Bad debt expenses	150,000,000	197,000,000
Gain on disposal of investments	(65,204,177)	(11,121,489)
Loss on disposal of fixed assets	3,005,803	—
Unrealized losses (gain) on market value decline of short-term investments	—	(29,400,524)
Decrease in other receivables	7,051,788	25,095,096
Decrease (increase) in other current assets	22,329,416	10,978,534
Increase in accrued expenses & other payables	13,272,627	687,469
(Decrease) Increase in retained money payable	(11,902,601)	(2,201,591)
Increase (decrease) in collects for others	(5,075,821)	(10,915,630)
Increase in other current liabilities	2,132,366	—
Net Cash Provided by Operating Activities	282,385,552	527,363,088
CASH FLOWS FROM INVESTING ACTIVITIES		
Decrease (Increase) in short-term investments	1,117,386,079	(1,877,303,392)
Increase in long-term lending	(650,753,504)	—
Recovery long-term lending	640,104,097	125,493,753
Increase in long-term investments	(141,054,410)	—
Proceeds from sale of long-term investments	—	4,589,042
Acquisition of fixed assets	(1,176,665)	(3,605,065)
Proceeds from disposal of fixed assets	23,238	—
Increase in intangible assets	—	(781,120)
Decrease (Increase) in deposits to suppliers	215,628	276,365
Net Cash Provided by (Used in) Investing Activities	964,744,463	(1,751,330,417)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term liabilities	74,920,890	290,079,110
Decrease in deposits from suppliers	683,124	(634,459)
Proceeds from donated funds	—	447,895,955
Net Cash Provided by Financing Activities	75,604,014	737,340,606
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,322,734,029	(486,626,723)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,189,553,219	5,676,179,942
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 6,512,287,248	\$ 5,189,553,219

International Cooperation and Development Fund

Notes to Financial Statements

December 31, 2002 and 2001

(Expressed in New Taiwan Dollars except as cited in particular footnotes)

1. ORGANIZATION AND HISTORY

In accordance with the “Statute of International Cooperation and Development Foundation establishment” promulgated by the ROC President, the International Cooperation and Development Fund (ICDF) was formed and approved by the Ministry of Foreign Affairs (MOFA) on June 29, 1996. The ICDF was formed and registered as a consortium juridical person in law, with the succession of the net value of the International Economic Cooperation Development Fund (IECDF), which was terminated on June 30, 1996.

The Mission of the ICDF is to assist developing countries in their economic growth, strengthen international cooperation, develop ROC foreign relations and encourage social progress.

2. SIGNIFICANT ACCOUNTING POLICIES

(1) Accounting Basis

Accrual basis, except funds for contracted projects from government agencies or other agencies.

(2) Cash Equivalents

The ICDF considers all highly liquid instruments purchased with a maturity of three months or less from date of acquisition to be cash equivalents.

(3) Short-term investments

Short-term investments are recorded at cost. If they belong to short-term notes, the valuations are based on cost or market price, whichever is lower. In cases of no market price, available cost will govern. When they are exchanged before maturity or sold at maturity, their cost and gain, or loss, are calculated based on specific identification.

(4) Long-term Lending

The ICDF loans are recorded and calculated based on actual exchange rate on the date of settlement of exchange.

(5) Long-term investments

Long-term investments are recorded based on the cost and valued based on cost method.

(6) Allowance for Uncollectable Accounts — Long-Term Lending

Allowance for uncollectable accounts are estimated on the basis of collectibility of every loan, after approval by the Board of Directors and the filing of applications to the governing authority. (The Regulations for Disposal of Overdue Loan, Special Loan and Bad Debt newly amended by the ICDF were approved by the board of directors and submitted to Ministry of Foreign Affairs for its approval. In addition, the Regulations were also submitted to Executive Yuan on January 21, 2003 for its examination.)

(7) Fixed assets

Fixed assets are recorded at cost. Major improvements, renewals and replacements are capitalized, while repairs and maintenance are expensed currently. 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 computed by the straight-line method over estimated useful life.

(8) Intangible assets

Intangible assets are amortized by the straight-line method.

(9) Pension Plan

The ICDF appropriates 7% of employees' monthly salaries as pension funds and recognizes the funds as expenses for the year, based on its employees pension plan, which applies to all of the officially hired employees. Independent of the assets of the ICDF, are deposited in financial institutions in the name of the ICDF. If appropriated funds are not sufficient to pay pension, the ICDF will charge and pay the difference.

(10) Foreign-currency transactions

Foreign-currency transactions are recorded in New Taiwan dollars at the exchange rate when the transactions occur. Exchange gains or losses are credited or charged to income in the year of actual conversion or settlement.

(11) Receipt and disbursement of Entrusted Projects

The ICDF receives funds for entrusted projects from government agencies or other agencies. When the funds are used, the expenditure is charged to Contracted Project Expenditure accounts by project. At the end of each month the amount of accumulated fund expenditures are deducted from the Received in an Advance-Contracted Project Funds account and charged to Revenue from a Contracted Project account.

3. APPROVAL AND ADJUSTMENT OF FINANCIAL STATEMENTS

The receipt and disbursement accounts of government special funds of this foundation should be reviewed by the Ministry of Audit. After its review and approval, the receipt and disbursement accounts of government special funds are then settled. If there are any adjustments, the adjustment will be booked in the following year.

4. CASH AND CASH EQUIVALENTS

	December 31, 2002	December 31, 2001
Petty cash	\$ 165,000	\$ 205,000
Demand deposits	457,606,054	622,260,018
Checking deposits	3,160,658	4,062,470
Time deposits	2,723,732,533	3,420,588,504
Cash equivalents - Short-term notes	3,327,623,003	1,142,437,227
Total	\$ 6,512,287,248	\$ 5,189,553,219

5. SHORT-TERM INVESTMENTS

	December 31, 2002	December 31, 2001
Commercial promissory notes	\$ 1,033,803,507	\$ 445,314,010
Company bonds	1,453,701,150	983,957,658
Government bonds	258,501,282	262,218,560
Beneficiary certificates	175,467,260	2,375,215,400
Marketable stock	94,256,453	8,394,586
Subtotal	3,015,729,652	4,075,100,214
Less: Allowance for reduction of short-term investment to market	—	—
Total	\$ 3,015,729,652	\$ 4,075,100,214

Purchase promissory note (mature date over 90 days).

6. OTHER RECEIVABLES

	December 31, 2002	December 31, 2001
Interest receivable	\$ 224,733,083	\$ 242,613,083
Retained money receivable	10,711,512	—
Receivable due to sale of shares	9,479,987	—
Other receivables	2,001,411	1,884,711
Subtotal	246,925,993	244,497,794
Less: Allowance for uncollectable accounts	(58,140,223)	—
Total	\$ 188,785,770	\$ 244,497,794

(1) Allowance for bad debt is allocated subject to the possibility of receiving interest receivable generated from long-term lending on a case-by-case basis.

(2) Allowance for bad debt for the interest receivable generated from long-term lending is listed below:

Case involving in Allowance for Bad Debt	Interest Receivable (USD)	Allocated Amount (USD)	Allocated Amount (NTD)
East Industrial Zone, Paraguay	1,424,804.52	498,681.58	17,154,646
David Castle Export-Processing Zone, Panama	1,191,441.20	1,191,441.20	40,985,577
Total			58,140,223

7. LONG-TERM LENDING

	December 31, 2002	December 31, 2001
Long-term lending	\$ 6,403,326,881	\$ 6,392,677,474
Less: Allowance for uncollectable accounts	(839,359,777)	(747,500,000)
Total	\$ 5,563,967,104	\$ 5,645,177,474

- (1) The ICDF conducts long-term lending in accordance with the “Regulations Governing International Cooperation and Development Fund in Loans and Investment,” approved by the Executive Yuan. To December 31, 2002 actual loans were US\$211,846,118.64 and annual interest rates were less than 2%.
- (2) Allowance for bad debt is allocated for the cases that might have recovery problems subject to loan quality. At present, the cases that have shown such problems include Nauru government-funded Nauru Parkview Hotel, Paraguayan East Industrial Zone and Panamanian David Castle Industrial Zone. These loans amount to USD27,558,079.46. Besides, Honduras and Nicaragua have negotiated with their creditors for reducing their loans due to their inability to fully clear off loans. The ICDF therefore plans to allocate USD30,000,000 as allowance for bad debt in years to meet the needs of these problem cases. In 2002, the board of directors approved the budget bad debt expense of NT\$150,000,000 (including the allocated interest receivable, i.e. NT\$58,140,223).
- (3) The overdue lending plans involving in the loan cased as of December 31, 2002 are detailed below:
- The application for expanding the loan by Chinese Export Processing Zone in Costa Rica to 1 year was approved by the ICDF’s 20th board of directors. The expansion expired on July 30, 2002. Principal and interest payments are regularly paid.
 - Overdue lending plans as of December 31, 2002 are detailed below (Unit:USD)

Country	Plan	Date Prescribed for Repayment	Principal	Interest	Promise Fee	Deferred Interest	Total	Remarks
Philippines	Subic Bay Industrial Zone Phase II	May 15, 2002	725,316.79	120,342.14			845,658.93	A
		Nov. 15, 2002	725,316.79	101,947.30		17.70	827,281.79	
Indonesia	Villages Cooperation Product-Storing System	Apr. 26, 2002		114,599.40			114,599.40	A
		Oct. 26, 2002		115,229.06			115,229.06	
Solomon Islands	Solomon Islands Village Loans Program	Mar. 15, 2002	33,333.33	14,077.78	3,700.00		51,111.11	A
		Sep. 15, 2002	33,333.33	13,714.81			47,048.14	
Burkina Faso	Burkina Faso Village Loans Program	Nov. 15, 2001		9,696.62	7,505.49		17,202.11	A
		Nov. 15, 2002		35,683.57	1,936.85	154.20	37,774.62	
Malawi	Transportation Construction	Dec. 20, 2002		194,181.74			194,181.74	B
Grenada	Small Loan	Nov. 15, 2002			585.00		585.00	C
Nauru	Nauru Parkview Hotel	Nov. 1, 2002	417,032.00	309,066.47		6,023.80	732,122.27	
Paraguay	Re-accommodation for Medium/Small Enterprise	Nov. 19, 2002				8,095.71	8,095.71	
Haiti	Water-supplying System in Petion-Ville, Port-au-Prince (Bid I)	Nov. 15, 2002		16,866.67		179.63	17,046.30	
Total			1,934,332.24	1,045,405.56	13,727.34	14,471.04	3,007,936.18	

- A. Allocated allowance for bad debt in accordance with the ICDF’s regulations for disposal of bad debt.
 B. Repaid on January 13, 2003.
 C. Repaid on January 7, 2003.

(4) Loan cases for debt arrangement are detailed as follows: (Unit: USD)

Loan Case	Year of Debt Arrangement	Amount as Creditor's Right before Debt Arrange (Including Principal & Interest)	Amount as Creditor's Right after Debt Arrange (Including Principal & Interest)	Amendment Condition	Balance of Long-term Lending on Dec. 31, 2002
Nauru Parkview Hotel	1999	\$ 10,764,783.76	\$ 10,764,783.76	Accrued interest before May 2002 was transferred to principal. Interest rate was changed to 5% from 6%.	\$ 12,093,905.29
Chinese Export Processing Zone in Costa Rica	2001	7,500,000.00	7,500,000.00	1. The 5 loans due on July 31, 2001 or so have been extended for 1 year. 2. The annual rates for the outstanding loans -3% for the loan USD4,500,000 and 5.5% for the loan USD3,000,000 - are changed to 4%.	6,000,000.00
Philippine Subic Bay Industrial Zone Phase II	Negotiation in process	4,509,705.99	Negotiation in process	Negotiation in process	4,351,900.71

8. LONG-TERM INVESTMENTS

	December 31, 2002		December 31, 2001	
	Investment Cost	Shareholding Ratio	Investment Cost	Shareholding Ratio
Stock equity investment				
Overseas Investment & Development Corporation	\$ 130,000,000	14.44%	\$ 130,000,000	14.44%
Latin America Development Company	100,000,000	28.57%	100,000,000	28.57%
Micro-Credit National S.A.	2,895,918 (USD 91,368)	5%	2,895,918 (USD 91,368)	5%
SKOPJE Development and Management Company, limited	13,967,864 (USD 452,400)	100%	13,882,230 (USD 450,000)	45%
Foundation investment				
European currency funds	297,536,800 (USD8,500,000)	—	156,600,000 (USD4,500,000)	—
Prepaid Investment in Taiwan (Paraguay) Industrial Zone Development & Management Co., Ltd.	31,976 (USD950)	—	—	—
Total	\$ 544,432,558		\$ 403,378,148	

- (1) The ICDF conducts long-term investment in accordance with the “Regulations Governing,” International Cooperation and Development Fund in Loans and Investment approved by Executive Yuan.
- (2) The ICDF commissioned European Bank to manage special funds for dealing with investment and financing plans with private and public sectors in Central Europe and East Europe by offering funds mutually. According to the contract, USD12,500,000 must be put in the investment. USD8,500,000 has been invested as of December 31, 2002.
- (3) All aforementioned equity investment projects were evaluated at cost at the amounts of actual investments. Investment projects in foreign currencies took the amount actually converted at the exchange rate on the day when the exchange was actually settled as the investment costs.

9. FIXED ASSETS

	December 31, 2002		
	Cost	Accumulated Depreciation	Net
Information equipment	\$ 16,793,729	\$ 7,777,090	\$ 9,016,639
Communication & transportation equipment	1,879,520	1,204,680	674,840
Miscellaneous equipment	2,977,397	1,466,781	1,510,616
Lease Improvement	19,470,073	11,434,611	8,035,462
Total	\$ 41,120,719	\$ 21,883,162	\$ 19,237,557

	December 31, 2001		
	Cost	Accumulated Depreciation	Net
Information equipment	\$ 18,093,821	\$ 7,818,545	\$ 10,275,276
Communication & transportation equipment	2,566,520	1,665,689	900,831
Miscellaneous equipment	4,456,723	1,757,411	2,699,312
Lease Improvement	26,317,073	13,156,943	13,160,130
Total	\$ 51,434,137	\$ 24,398,588	\$ 27,035,549

Depreciation for 2002 and 2001 are NT\$7,349,616 and NT\$7,709,269, respectively.

10. SHORT-TERM DEBT

It's a re-purchase bonds finance transaction. The details are as follow:

December 31, 2002			
Bonds	Period	Rate	Amount
Inter-American Development Bond 2001-5	2002.12.20-2003.01.17	1.250%	\$290,000,000
Inter-American Development Bond 1999-1B	2002.12.20-2003.01.21	1.250%	100,000,000
Government Bond 1995-1	2002.12.20-2003.01.10	1.250%	200,000,000
Government Bond 1997-A3	2002.12.20-2003.01.21	1.425%	50,000,000
European Investment Bond 1998-1A	2002.12.27-2003.01.17	1.375%	100,000,000
European Investment Bond 1998-1A	2002.01.09-2003.01.09	1.200%	175,000,000
Total			\$915,000,000

December 31, 2001			
Bonds	Period	Rate	Amount
Inter-American Development Bond 1999A	2001.12.19-2002.01.18	2.20%	\$100,000,000
Government Bond 1995-1	2001.12.19-2002.01.18	2.20%	200,063,288
Government Bond 1997-3	2001.12.19-2002.01.18	2.20%	50,015,822
Inter-American Development Bond 1999A	2001.12.19-2002.01.18	2.20%	100,000,000
Inter-American Development Bond 1999B	2001.12.19-2002.01.18	2.20%	100,000,000
Inter-American Development Bond 2001A	2001.01.19-2002.01.18	2.20%	95,000,000
Inter-American Development Bond 2001D	2001.12.26-2002.02.25	2.15%	195,000,000
Total			\$840,079,110

11. FUNDS AND CURRENT SURPLUS AND DEFICIT

The Fund took the net worth, i.e., NT\$11,614,338,576 shown on June 30, 1996 when International Economic Cooperation Development Fund, Ministry of Economic Affairs as the founding fund (NT\$11,634,131,427 in total assets, NT\$19,792,851 as the total liabilities). In the registration with the court for judicial person, the total assets as shown in account closing, i.e., NT\$11,634,131,427 of the International Economic Cooperation Development Fund, Ministry of Economic Affairs were registered as the total property value.

The donated fund of the Fund include NT\$4,423,541 of "Committee of International Technical Cooperation" of Ministry of Foreign Affairs for overseas technological cooperation consolidated in the International Cooperation and Development Fund on July 1, 1997; the NT\$600,000,000 sum donated by Ministry of Foreign Affairs on January 16, 2000; the US\$6,000,000 sum, equivalent to NT\$197,820,000 provided by Ministry of Foreign Affairs on April 3, 2001 for investment in Skopje Development & Management Co., Ltd.; the NT\$250,075,955 sum provided by Ministry of Foreign Affairs on December 31, 2001 as required

for “Credit & Guarantees for Private Investors in Countries without Diplomatic Ties”; totaling NT\$1,052,319,496.

12. RETIREMENT FUNDS

The special account for employees’ retirement funds allocated by the ICDF is detailed below:

	2002
Balance at the beginning of this term	\$ 12,775,924
Allocation of this term	4,501,236
Interest income	231,859
Payment of this term	(292,600)
Balance at the end of this term	\$ 17,216,419

13. COMMITMENTS

(1) Pursuant to “Regulations Governing International Cooperation and Development Fund in Loans and Investment”, the Fund had signed contracts with foreign governments amounting to US\$424,255,025.60 as of December 31, 2002. The loans having been granted as of the said dates amounted to US\$325,373,082.25, with US\$98,881,943.35 committed balances.

(2) The assets under the Fund’s custody and operation as consigned by the government do not belong to the Fund. The Fund entered into account as “Properties under custody” and “Custody property payable”. The “Properties under custody” was entered at cost. Expenditures for major addition, renewal and improvement were entered as revenues and expenditures of consigned projects. Upon scrapping, the cost was deducted out of the book amount. As of December 31, 2002, the “Properties under custody” showed NT\$196,017,642 book value.

(3) The Central American Economic Development Fund under the Fund’s management as consigned by the Ministry of Foreign Affairs do not belong to the Fund. The Fund entered into account in equivalent asset titles and collection for third party. As of December 31, 2002 and 2001, the assets show details below:

	December 31, 2002		December 31, 2001	
	United States Dollar	New Taiwan Dollar	United States Dollar	New Taiwan Dollar
Cash in bank	\$ 10,468,962.91	\$ 352,395,681	\$ 995,059.88	\$ 33,679,719
Time deposits	99,625,159.53	3,443,613,236	86,670,196.80	2,968,507,187
Interest receivable	686,335.46	23,614,916	1,126,099.30	39,339,495
Clearing account	339,734.24	11,463,845	459,351.48	15,681,167
Total	\$111,120,192.14	\$ 3,831,087,678	\$ 89,250,707.46	\$ 3,057,207,568