

Financial Statements

Independent Auditor's Report

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INDEPENDENT AUDITOR'S REPORT

NO.073590EA

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, 2001 and 2000, 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, 2001 and 2000, 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 2, 2002

International Cooperation and Development Fund

Balance Sheets

December 31, 2001 and 2000

(Expressed in New Taiwan Dollars)

| ASSETS | NOTES | 2001 | | 2000 | |
|---|-------|----------------------------|----------------|----------------------------|----------------|
| | | Amount | % | Amount | % |
| CURRENT ASSETS | | \$ 9,559,305,352 | 61.14 | \$ 8,164,180,300 | 56.03 |
| Cash and cash equivalents | 2, 4 | 5,189,553,219 | 33.19 | 5,676,179,942 | 38.95 |
| Short-term investments | 2, 5 | 4,075,100,214 | 26.06 | 2,157,274,809 | 14.81 |
| Other receivables | 6 | 244,497,794 | 1.56 | 269,592,890 | 1.85 |
| Other current assets | | 50,154,125 | 0.32 | 61,132,659 | 0.42 |
| LONG-TERM INVESTMENTS AND LENDING | | 6,048,555,622 | 38.68 | 6,375,638,417 | 43.75 |
| Long-term lending | 2, 7 | 6,392,677,474 | 40.88 | 6,518,171,227 | 44.73 |
| Less: Allowance for uncollectable accounts | | (747,500,000) | (4.78) | (550,500,000) | (3.78) |
| Long-term investments | 2, 8 | 5,645,177,474 | 36.10 | 5,967,671,227 | 40.95 |
| FIXED ASSETS | 2, 9 | 27,035,549 | 0.17 | 31,139,753 | 0.22 |
| Information equipment | | 18,093,821 | 0.12 | 14,798,006 | 0.10 |
| Communication & transportation equipment | | 2,566,520 | 0.02 | 2,532,520 | 0.02 |
| Miscellaneous equipment | | 4,456,723 | 0.03 | 4,181,473 | 0.03 |
| Lease improvement | | 26,317,073 | 0.17 | 26,317,073 | 0.18 |
| Less: Accumulated depreciation | | 51,434,137 (24,398,588) | 0.33 (0.16) | 47,829,072 (16,689,319) | 0.33 (0.11) |
| OTHER ASSETS | | 1,172,077 | 0.01 | 748,367 | - |
| Deposits to suppliers | | 472,002 | - | 748,367 | - |
| Intangible assets | 2 | 700,075 | 0.01 | - | - |
| TOTAL ASSETS | | \$15,636,068,600 | 100.00 | \$14,571,706,837 | 100.00 |

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

International Cooperation and Development Fund

Balance Sheets

December 31, 2001 and 2000

(Expressed in New Taiwan Dollars)

| LIABILITIES AND EQUITY | NOTES | 2001 | | 2000 | |
|--|-------|-------------------------|---------------|-------------------------|---------------|
| | | Amount | % | Amount | % |
| CURRENT LIABILITIES | | \$ 897,629,804 | 5.74 | \$ 609,064,816 | 4.18 |
| Short-term debt | 10 | 840,079,110 | 5.37 | 550,000,000 | 3.77 |
| Accrued expenses and other payables | | 13,424,654 | 0.09 | 12,737,185 | 0.09 |
| Retained money payable | | 44,126,040 | 0.28 | 46,327,631 | 0.32 |
| OTHER LIABILITIES | | 12,485,290 | 0.08 | 24,035,379 | 0.17 |
| Deposits received | | 2,209,791 | 0.01 | 2,844,250 | 0.02 |
| Collects for others | | 10,275,499 | 0.07 | 21,191,129 | 0.15 |
| TOTAL LIABILITIES | | 910,115,094 | 5.82 | 633,100,195 | 4.35 |
| FUNDS AND SURPLUS | | | | | |
| Initial funds | 11 | 11,614,338,576 | 74.28 | 11,614,338,576 | 79.70 |
| Donated funds | 11 | 1,052,319,496 | 6.73 | 604,423,541 | 4.15 |
| Accumulated surplus | | 2,059,295,434 | 13.17 | 1,719,844,525 | 11.80 |
| TOTAL EQUITY | | 14,725,953,506 | 94.18 | 13,938,606,642 | 95.65 |
| TOTAL LIABILITIES AND EQUITY | | \$15,636,068,600 | 100.00 | \$14,571,706,837 | 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, 2001 and 2000

(Expressed in New Taiwan Dollars)

| DESCRIPTION | NOTES | 2001 | | 2000 | |
|---|-------|-----------------------|--------------|-----------------------|--------------|
| | | Amount | % | Amount | % |
| REVENUES | | \$ 2,104,833,121 | 100.00 | \$ 2,698,688,361 | 100.00 |
| Revenues from commissioned projects | 2 | 1,178,653,025 | 56.00 | 1,527,657,671 | 56.60 |
| Revenues from investment & lending | | 263,991,861 | 12.54 | 452,263,159 | 16.76 |
| Interest from fund | | 305,398,897 | 14.51 | 584,808,745 | 21.67 |
| Gain on disposal of investments | | 96,700,048 | 4.59 | - | - |
| Miscellaneous revenues | | - | - | 1,518,674 | 0.06 |
| Investment income | | 1,442,200 | 0.07 | - | - |
| Foreign exchange gain | 2 | 222,270,698 | 10.56 | 127,420,862 | 4.72 |
| Gain on market price recovery of short-term investment | | 29,400,524 | 1.40 | - | - |
| Other revenues | | 6,975,868 | 0.33 | 5,019,250 | 0.19 |
| EXPENSES | | 1,765,382,212 | 83.87 | 2,190,567,318 | 81.17 |
| Commissioned projects expenses | 2 | 1,178,653,025 | 56.00 | 1,527,657,671 | 56.61 |
| Investment & lending expenses | | 211,839,018 | 10.06 | 221,578,748 | 8.21 |
| Education training expenses | | 90,971,126 | 4.32 | - | - |
| Technical assistance expenses | | 79,233,151 | 3.76 | 237,410,112 | 8.80 |
| Business plan expenses | | 17,189,734 | 0.82 | 32,915,535 | 1.22 |
| General & administrative expenses | | 77,647,164 | 3.69 | 115,673,929 | 4.29 |
| Unrealized losses on market value decline of short-term | | - | - | 29,400,524 | 1.09 |
| Losses on sales of short-term investments | | 85,578,559 | 4.07 | 8,307,592 | 0.30 |
| Interest expenses | 2 | 24,270,435 | 1.15 | 14,523,551 | 0.54 |
| Other expenses | | - | - | 3,099,656 | 0.11 |
| NET INCOME | | \$ 339,450,909 | 16.13 | \$ 508,121,043 | 18.83 |

(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, 2001 and 2000

(Expressed in New Taiwan Dollars)

| DESCRIPTION | INITIAL FUNDS | DONATED FUNDS | ACCUMULATED SURPLUS | TOTAL |
|----------------------------|-------------------|------------------|---------------------|-------------------|
| Balance, July 1, 1999 | \$ 11,614,338,576 | \$ 604,423,541 | \$ 1,211,723,482 | \$ 13,430,485,599 |
| Income for 2000 | - | - | 508,121,043 | 508,121,043 |
| Balance, December 31, 2000 | 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 |

(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, 2001 and 2000

(Expressed in New Taiwan Dollars)

| DESCRIPTION | 2001 | 2000 |
|--|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 339,450,909 | \$ 508,121,043 |
| Adjustments: | | |
| Depreciation expenses | 7,709,269 | 9,279,906 |
| Amortization expenses | 81,045 | 11,360 |
| Bad debt expenses | 197,000,000 | 197,000,000 |
| Loss on disposal of fixed assets | - | 3,099,656 |
| Unrealized losses (gain) on market value decline of short-term investments | (29,400,524) | 29,400,524 |
| Decrease in other receivables | 25,095,096 | 38,859,924 |
| Decrease (increase) in other current assets | 10,978,534 | (15,759,957) |
| Decrease in accrued expenses & other payables | 687,469 | 12,324,193 |
| (Decrease) Increase in Retained money payable | (2,201,591) | (19,426,402) |
| Increase (decrease) in collects for others | (10,915,630) | 5,483,016 |
| Net Cash Provided by Operating Activities | 538,484,577 | 768,393,263 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| (Increase) decrease in short-term investments | (1,888,424,881) | 194,740,137 |
| (Decrease) increase in long-term investments & lending | 130,082,795 | (1,039,231,390) |
| Increase in fixed assets | (3,605,065) | (26,124,242) |
| Increase in intangible assets | (781,120) | - |
| Decrease (increase) in deposits to suppliers | 276,365 | (59,500) |
| Net Cash Used in Investing Activities | (1,762,451,906) | (870,674,995) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Increase in short-term liabilities | 290,079,110 | 550,000,000 |
| Decrease in deposits from suppliers | (634,459) | (514,400) |
| Proceeds from donated funds | 447,895,955 | - |
| Net Cash Provided by Financing Activities | 737,340,606 | 549,485,600 |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | (486,626,723) | 447,203,868 |
| CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR | 5,676,179,942 | 5,228,976,074 |
| CASH AND CASH EQUIVALENTS AT END OF YEAR | \$ 5,189,553,219 | \$ 5,676,179,942 |

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

International Cooperation and Development Fund

Notes to Financial Statements

December 31, 2001 and 2000

(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) Fiscal Year

The Fund's accounting year commences on July 1st and concludes on June 30 of following year. In accordance with recent ROC government accounting system changes, the fund will adopt the calendar year system in 2001. Therefore, 2000 is a unique accounting period, beginning July 1, 1999 ended December 31, 2000.

(2) Accounting Basis

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

(3) 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.

(4) 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.

(5) Long-term Loan

The ICDF loans to other countries' government agencies are recorded and calculated based on actual exchange rate on the date of settlement of exchange.

(6) Long-term investments

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

(7) 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.

(8) 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.

(9) Intangible assets

Intangible assets are amortized by the straight-line method.

(10) Pension Plan

The ICDF charges pension expenses and appropriate pension funds monthly. The appropriated pension funds, 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.

(11) 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.

(12) Receipt and disbursement of Commissioned Projects

The ICDF receives funds for commissioned projects from government agencies or other agencies. When the funds are used, the expenditure is charged to Commissioned 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-Commissioned Project Funds account and charged to Revenue from a Commissioned Project account.

3. APPROVAL AND ADJUSTMENT OF FINANCIAL STATEMENTS

The receipt and disbursement accounts of government special funds of this Fund 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 adjustments will be booked in the following year.

4. CASH AND CASH EQUIVALENTS

| | December 31, 2001 | December 31, 2000 |
|-------------------------------------|------------------------|------------------------|
| Petty cash | \$ 205,000 | \$ 345,000 |
| Demand deposits | 622,260,018 | 297,140,353 |
| Checking deposits | 4,062,470 | 3,394,650 |
| Time deposits | 3,420,588,504 | 2,921,607,275 |
| Cash equivalents - Short-term notes | 1,142,437,227 | 2,453,692,664 |
| Total | \$5,189,553,219 | \$5,676,179,942 |

5. SHORT-TERM INVESTMENTS

| | December 31, 2001 | December 31, 2000 |
|--|-------------------------|-------------------------|
| Commercial promissory notes | \$ 445,314,010 | \$ 916,215,818 |
| Company bonds | 983,957,658 | 635,356,393 |
| Government bonds | 262,218,560 | 266,714,605 |
| Beneficiary certificates | 2,375,215,400 | 334,575,570 |
| Marketable stock | 8,394,586 | 33,812,947 |
| Subtotal | 4,075,100,214 | 2,186,675,333 |
| Less: Allowance for reduction of short-term investment to market | - | (29,400,524) |
| Total | \$ 4,075,100,214 | \$ 2,157,274,809 |

Purchase promissory note (mature date over 90 days).

6. OTHER RECEIVABLES

| | December 31, 2001 | December 31, 2000 |
|---------------------|-----------------------|-----------------------|
| Interest receivable | \$ 242,613,083 | \$ 267,716,517 |
| Other receivables | 1,884,711 | 1,876,373 |
| Total | \$ 244,497,794 | \$ 269,592,890 |

7. LONG-TERM LENDING

| | December 31, 2001 | December 31, 2000 |
|--|-------------------------|-------------------------|
| Loan to other countries | \$ 6,392,677,474 | \$ 6,518,171,227 |
| Less: Allowance for uncollectable accounts | (747,500,000) | (550,500,000) |
| Total | \$ 5,645,177,474 | \$ 5,967,671,227 |

The ICDF provides loans to other countries in accordance with the "Loan and Investment Dealing Procedure of the Consortium Juridical Person International Cooperation and Development Fund," approved by the Executive Yuan.

To December 31, 2001 actual loans were US\$216,245,418.49 and annual interest rates were less than 2%.

8. LONG-TERM INVESTMENTS

| | December 31, 2001 | | December 31, 2000 | |
|--|-----------------------------|--------------------|-----------------------------|--------------------|
| | Investment Cost | Shareholding Ratio | Investment Cost | Shareholding Ratio |
| Stock equity investments | | | | |
| 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 | 13,882,230 (USD 450,000) | 45% | 13,882,230 (USD 450,000) | 45% |

| | December 31, 2001 | | December 31, 2000 | |
|---|-----------------------|--------------|-----------------------|--------------|
| | Investment | Shareholding | Investment | Shareholding |
| | Cost | Ratio | Cost | Ratio |
| Investment of Fund | | | | |
| ICDF-EBRD SPecial Fund | 156,600,000 | - | 156,600,000 | - |
| | (USD4,500,000) | | (USD4,500,000) | |
| Prepaid Investment Broiler raising project in the Republic of Macedonia | - | - | 4,589,042 | - |
| | | | (USD 141,000) | |
| Total | \$ 403,378,148 | | \$ 407,967,190 | |

As approved by the Executive Yuan (the Cabinet) with Letter Tai-(85)-Hsiao-II-Tze 00503 dated January 13, 1996, it was invested in Overseas Investment & Development Co., Ltd. for 13,000,000 shares, accounting for 14.44% of the total shares actually issued by the company.

This International Cooperation and Development Fund (Hereinafter referred to as the Fund) has consigned European Bank to manage the Preferred Fund with investment and financing projects through counterpart investment with Central and Eastern European countries. As required under the Contract, a total of US\$12,500,000 should be invested. As of December 31, 2001, a total of US\$4,500,000 had been invested.

On investment in Central American Development Co., Ltd., we already requested with a letter dated January 12, 2001 that the Ministry of Foreign Affairs consult with competent authorities of the government for a reply.

Those cases of investment in the Micro-credit National S.A., the Skopje Development & Management Co., Ltd. and the Broiler Chicken Raising Project in the Republic of Macedonia were officially resolved in the board of directors & supervisors, 2000. The Macedonian Broiler Chicken Raising Project was aborted because of break of diplomatic ties with Macedonia. The investment was retrieved in Fiscal 2001.

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, 2001 | | |
|--|----------------------|--------------------------|----------------------|
| | Cost | Accumulated Depreciation | Net |
| Mechanic 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 |

| | December 31, 2001 | | |
|--|----------------------|--------------------------|----------------------|
| | Cost | Accumulated Depreciation | Net |
| Mechanic equipment | \$ 14,798,006 | \$ 5,828,569 | \$ 8,969,437 |
| Communication & transportation equipment | 2,532,520 | 1,438,054 | 1,094,466 |
| Miscellaneous equipment | 4,181,473 | 1,451,505 | 2,729,968 |
| Lease Improvement | 26,317,073 | 7,971,191 | 18,345,882 |
| Total | \$ 47,829,072 | \$ 16,689,319 | \$ 31,139,753 |

Depreciation for 2001 and 2000 are NTS7,709,269 and NTS9,279,906, respectively.

10. SHORT-TERM DEBT

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

| Bonds | December 31, 2001 | | |
|---------------------------------------|----------------------|-------|----------------------|
| | Period | Rate | Amount |
| Inter-American Development Bond 1999A | 2001.12.19-2002.1.18 | 2.20% | \$100,000,000 |
| Government Bond 84-1 | 2001.12.19-2002.1.18 | 2.20% | 200,063,288 |
| Government Bond 86-3 | 2001.12.19-2002.1.18 | 2.20% | 50,015,822 |
| Inter-American Development Bond 1999A | 2001.12.19-2002.1.18 | 2.20% | 100,000,000 |
| Inter-American Development Bond 1999B | 2001.12.19-2002.1.18 | 2.20% | 100,000,000 |
| Inter-American Development Bond 2000A | 2001.1.19-2002.1.18 | 2.20% | 95,000,000 |
| Inter-American Development Bond 2000D | 2001.12.26-2002.2.25 | 2.15% | 195,000,000 |
| Total | | | \$840,079,110 |

| Bonds | December 31, 2001 | | |
|---------------------------------------|----------------------|-------|----------------------|
| | Period | Rate | Amount |
| Inter-American Development Bond 1999A | 2000.12.11-2001.1.10 | 4.95% | \$100,000,000 |
| Government Bond 84-1 | 2000.12.21-2001.1.19 | 4.90% | 200,000,000 |
| Government Bond 86-3 | 2000.12.21-2001.1.19 | 4.90% | 50,000,000 |
| Inter-American Development Bond 1999A | 2000.12.21-2001.1.19 | 4.90% | 100,000,000 |
| Inter-American Development Bond 1999B | 2000.12.21-2001.1.19 | 4.90% | 100,000,000 |
| Total | | | \$550,000,000 |

11. FUNDS AND CURRENT SURPLUS AND DEFICIT

The Fund took the net worth, i.e., NTS11,614,338,576 shown on June 30, 1996 when International Economic Cooperation Development Fund, Ministry of Economic Affairs as the founding fund (NTS11,634,131,427 in total assets, NTS19,792,851 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 technical 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 "ICDF Credit Guarantee Program"; totaling NT\$1,052,319,496.

12. COMMITMENTS

- (1) Pursuant to "Regulations Governing the Fund - Loans and Investment", the Fund had signed contracts with foreign governments amounting to US\$324,857,353.25 and US\$352,412,887.53 as of December 31, 2001 and 2000 respectively. The loans having been granted as of the said dates amounted to US\$216,245,418.49 and US\$224,819,716.68, with US\$108,611,934.76 and US\$127,594,170.85 committed balances respectively.
- (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, 2001, the "Properties under custody" showed NT\$203,497,975 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, 2001 and 2000, the book value came to NT\$3,057,207,568 and NT\$2,116,634,408 (equivalent to US\$89,250,707.46 and US\$66,054,781.83 respectively). The assets show details below:

| | December 31, 2001 | | December 31, 2000 | |
|---------------------|--------------------------|-------------------------|--------------------------|-------------------------|
| | United States Dollars | New Taiwan Dollars | United States Dollars | New Taiwan Dollars |
| Cash in bank | \$ 995,059.88 | \$ 33,679,719 | \$ 2,588,723.82 | \$ 81,754,080 |
| Time deposits | 86,670,196.80 | 2,968,507,187 | 62,284,757.99 | 1,996,286,042 |
| Interest receivable | 1,126,099.30 | 39,339,495 | 915,089.92 | 30,197,968 |
| Clearing account | 459,351.48 | 15,681,167 | 266,210.10 | 8,396,318 |
| Total | \$ 89,250,707.46 | \$ 3,057,207,568 | \$ 66,054,781.83 | \$ 2,116,634,408 |

- (4) The Fund had been consigned by Ministry of Foreign Affairs to take management of Macedonia Economic Development Fund. The consignment was terminated in 2001 in the wake of break of the diplomatic ties with Macedonia. Both the principal and interest were surrendered to the Ministry of Foreign Affairs.

13. Fictionalized Financial Statements

Beginning Fiscal 2001, the Fund changes the fiscal year into the period beginning January 1 until December 31. The fictionalized financial statements of Fiscal 2000 (Statement of income) are enumerated below:

| | For the period ended December 31, 2001 | For the period ended December 31, 2000 (not audited by CPA) |
|---|---|---|
| Revenues | \$ 2,104,833,121 | \$ 2,211,376,160 |
| Revenues from investment & lending | 263,991,861 | 337,248,394 |
| Revenues from contracted projects | 1,178,653,025 | 1,209,735,159 |
| Interest from fund | 305,398,897 | 455,234,809 |
| Other revenues | 6,975,868 | 4,875,183 |
| Foreign exchange gain | 222,270,698 | 105,332,309 |
| Gain on market price recovery of short-term | 29,400,524 | - |
| Miscellaneous revenues | - | 993,138 |
| Investment income investment | 1,442,200 | - |
| Gain on disposal of investment | 96,700,048 | 97,957,168 |
| Expenses | 1,765,382,212 | 1,803,622,415 |
| Investment & lending expenses | 211,839,018 | 147,903,490 |
| Education & training expenses | 90,971,126 | - |
| Technical cooperation expenses | 79,233,151 | 197,881,868 |
| Business plan expenses | 17,189,734 | 29,307,903 |
| General & administrative expenses | 77,647,164 | 72,581,087 |
| Commissioned projects expenses | 1,178,653,025 | 1,209,735,159 |
| Other expenses | - | 3,099,656 |
| Foreign exchange losses | - | 13,437,245 |
| Interest expenses | 24,270,435 | 14,523,551 |
| Losses on disposal of investment | 85,578,559 | 115,152,456 |
| Net Income | \$ 339,450,909 | \$ 407,753,745 |

Appendix II

Joint Board of Directors and Supervisors Conferences

18th Joint Board Conference (April 2, 2001)

1. In conjunction with ROC government policy, the ICDF shall provide credit guarantee services to private Taiwanese enterprises investing in allied nations. Credit guarantees shall have a total value of US\$1 million. When necessary, an emergency Joint Board Conference or communications conference may be held to confirm implementation approach.
2. Authorized firms may participate in competitive bidding for loans in connection with the export processing zone at Fort David in Panama, or loan and lease standards will be eased, or all land will be sold off and the two projects merged.
3. Loans in connection with the Oriental Industrial Park in Paraguay will be handled in accordance with MOFA direction. The Oriental Company will transfer land ownership and above-ground structures to the ICDF, and the ICDF will contract management out to the Export Processing Zone Administration, MOEA. Additionally, the ICDF shall make improvements to future annual budgets and final statements in accordance with suggestions made by directors and supervisors. The ICDF is requested to provide overseas Chinese (two to three) the opportunity to participate in ICDF training classes in Taiwan, if compatible with established foreign trainee quotas and not resulting in any cost increases.

19th Joint Board (communications) Conference (July 13, 2001)

It was agreed that a waiver shall be signed with the Skopje Development and Management Company concerning the first stage of development of the export processing zone in Macedonia, and relevant construction payments shall be made.

20th Joint Board Conference (July 25, 2001)

In accordance with ROC foreign policy, it was agreed that the ICDF shall terminate all development assistance projects in Macedonia, and shall handle all subsequent related matters in accordance with regulations. Additionally, loans of US\$8 million for the Guatemalan Vocational Education Project and US\$800,000 for micro-lending programs in four Eastern Caribbean nations were approved.

21st Joint Board Conference (September 27, 2001)

The ICDF's mid-term aid strategy for the 2002–2004 period and core service programs were approved. Loans of US\$15 million for the expansion of wharves at Moin Harbor in Costa Rica were approved.