

**INTERNATIONAL COOPERATION AND  
DEVELOPMENT FUND  
FINANCIAL STATEMENTS AND INDEPENDENT  
AUDITOR'S REPORT  
DECEMBER 31, 2024 AND 2023**

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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.

## INDEPENDENT AUDITOR'S REPORT TRANSLATED FROM CHINESE

To the INTERNATIONAL COOPERATION AND DEVELOPMENT FUND

### ***Opinion***

We have audited the accompanying balance sheets of International Cooperation and Development Fund (TaiwanICDF) as at December 31, 2024 and 2023, and the related statements of comprehensive income, of changes in fund balances and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the TaiwanICDF as at December 31, 2024 and 2023, and its results of operations and its cash flows for the years then ended in accordance with the requirements of Regulations Governing Accounting Handling and Preparation of Financial Reports of Foundations established and approved by the Ministry of Foreign Affairs, accounting policies of TaiwanICDF, Enterprise Accounting Standards ("EAS") and related interpretations.

### ***Basis for opinion***

We conducted our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and Standards on Auditing of the Republic of China. 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 TaiwanICDF in accordance with the Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a

basis for our opinion.

***Emphasis of matter-custodianship of certain assets***

As described in Note 11 to the financial statements, certain assets were placed under the custodianship of TaiwanICDF 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.

***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 Regulations Governing Accounting Handling and Preparation of Financial Reports of Foundations established and approved by the Ministry of Foreign Affairs, accounting standards of TaiwanICDF, “EAS” and related interpretations, 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.

In preparing the financial statements, management is responsible for assessing the TaiwanICDF’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 TaiwanICDF or to cease operations, or has no realistic alternative but to do so.

***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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it

exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 TaiwanICDF's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on TaiwanICDF'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 TaiwanICDF 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.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within TaiwanICDF to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Chou, Hsiao-Tzu

For and on behalf of PricewaterhouseCoopers, Taiwan

March 21, 2025

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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 independent auditors' report 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, 2024 AND 2023  
(Expressed in New Taiwan dollars)

ASSETS	Notes	2024		2023	
		AMOUNT	%	AMOUNT	%
<b>Current assets</b>					
Cash and cash equivalents	6(1)	\$ 4,516,927,575	24	\$ 4,317,122,727	23
Other receivables	6(5)	293,943,113	2	403,840,758	2
Prepayments		165,375,809	1	167,554,215	1
Financial assets measured at amortized cost - current	6(3)	832,164,268	4	369,692,221	2
Other current assets		33,401,163	-	41,965,468	-
Current portion of long-term loans receivable	6(6) and 9	398,497,812	2	415,469,095	2
<b>Total current assets</b>		<u>6,240,309,740</u>	<u>33</u>	<u>5,715,644,484</u>	<u>30</u>
<b>Long-term loans and investment</b>					
Financial assets measured at fair value through other comprehensive income - non-current	6(2)	591,556,500	3	333,207,000	2
Financial assets measured at amortized cost - non-current	6(3)	2,129,881,118	11	2,737,349,993	14
Financial assets carried at cost - non-current	6(4) and 9	3,041,299,776	16	2,886,649,776	15
Long-term loans receivable	6(6) and 9	7,074,793,763	37	7,667,324,012	39
<b>Total long-term loans and investment</b>		<u>12,837,531,157</u>	<u>67</u>	<u>13,624,530,781</u>	<u>70</u>
<b>Property, plant and equipment</b>	6(7)				
Machinery and equipment		17,627,174	-	21,375,657	-
Transportation equipment		1,945,633	-	2,068,412	-
Miscellaneous equipment		1,557,823	-	1,899,426	-
Leasehold improvements		548,244	-	642,842	-
<b>Net property, plant and equipment</b>		<u>21,678,874</u>	<u>-</u>	<u>25,986,337</u>	<u>-</u>
<b>Other assets</b>					
Deposits-out		262,746	-	206,641	-
Intangible assets		12,626,369	-	17,042,412	-
<b>Total other assets</b>		<u>12,889,115</u>	<u>-</u>	<u>17,249,053</u>	<u>-</u>
<b>TOTAL ASSETS</b>		<u>\$ 19,112,408,886</u>	<u>100</u>	<u>\$ 19,383,410,655</u>	<u>100</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Current liabilities</b>					
Payables	6(8)	\$ 499,578,507	2	\$ 648,298,762	3
Collections payable		2,892,884	-	2,500,721	-
Current portion of long-term loans receivable	6(9)	326,457,370	2	288,300,000	2
Other current liabilities		123,795	-	1,997,146	-
<b>Total current liabilities</b>		<u>829,052,556</u>	<u>4</u>	<u>941,096,629</u>	<u>5</u>
<b>Long-Term Liabilities</b>					
Long-term liabilities	6(9)	2,556,542,630	14	3,027,150,000	16
<b>Total long-term liabilities</b>		<u>2,556,542,630</u>	<u>14</u>	<u>3,027,150,000</u>	<u>16</u>
<b>Other liabilities</b>					
Other liabilities		9,742,420	-	12,201,420	-
<b>Total other liabilities</b>		<u>9,742,420</u>	<u>-</u>	<u>12,201,420</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>3,395,337,606</u>	<u>18</u>	<u>3,980,448,049</u>	<u>21</u>
<b>Fund balances</b>					
Funds	6(11)				
Funds		12,468,838,072	65	12,468,838,072	64
Accumulated earnings	6(12)				
Accumulated earnings		3,008,604,850	16	2,856,186,602	15
Adjustment for other fund balances					
Unrealized gains on financial assets measured at fair value through other comprehensive income	6(2)	239,628,358	1	77,937,932	-
<b>TOTAL FUND BALANCES</b>		<u>15,717,071,280</u>	<u>82</u>	<u>15,402,962,606</u>	<u>79</u>
<b>SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS</b>	9				
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<u>\$ 19,112,408,886</u>	<u>100</u>	<u>\$ 19,383,410,655</u>	<u>100</u>

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

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND  
STATEMENTS OF COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in New Taiwan dollars)

Items	Notes	Year ended December 31			
		2024		2023	
		AMOUNT	%	AMOUNT	%
Operating revenues					
Revenues from banking and finance operations		\$ 392,854,619	21	\$ 333,091,596	21
Revenues from contracted projects	7	1,459,706,678	79	1,281,346,309	79
Other revenues from contracted projects		2,935,923	-	1,800,000	-
Total operating revenues		1,855,497,220	100	1,616,237,905	100
Operating expenses					
Humanitarian assistance expenses		( 22,719,961 )	( 1 )	( 18,650,312 )	( 1 )
Banking and finance operations		( 6,440,326 )	-	( 3,632,445 )	-
International human resources		( 90,727,764 )	( 5 )	( 87,078,757 )	( 6 )
Technical cooperation expenses		( 40,256,825 )	( 2 )	( 31,137,163 )	( 2 )
General and administrative expenses		( 139,341,142 )	( 8 )	( 120,989,035 )	( 8 )
Contracted project expenses	6(13)	( 1,459,706,678 )	( 79 )	( 1,281,346,309 )	( 79 )
Other contracted project expenses		( 2,935,923 )	-	( 1,800,000 )	-
Total operating expenses		( 1,762,128,619 )	( 95 )	( 1,544,634,021 )	( 96 )
Net operating gains		93,368,601	5	71,603,884	4
Non-operating income and gains					
Financial income	6(15)	256,723,148	14	180,037,173	11
Other non-operating income	6(16)	12,597,519	-	7,549,241	1
Total non-operating income and gains		269,320,667	14	187,586,414	12
Non-operating expenses and losses					
Financial expenses		( 209,317,550 )	( 11 )	( 265,262,867 )	( 16 )
Other non-operating expenses		( 3,080,164 )	-	( 918,361 )	-
Total non-operating expenses and losses		( 212,397,714 )	( 11 )	( 266,181,228 )	( 16 )
Deficiency (excess) of revenues over expenses		\$ 150,291,554	8	( \$ 6,990,930 )	-
Other comprehensive income					
Unrealized gains on financial assets measured at fair value through other comprehensive income	6(2)	\$ 163,817,120	9	\$ 51,058,651	3
Total comprehensive income		\$ 314,108,674	17	\$ 44,067,721	3

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

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND  
STATEMENTS OF CHANGES IN FUND BALANCES  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in New Taiwan dollars)

		<u>Fund</u>			<u>Accumulated other comprehensive income</u>	
	<u>Notes</u>	<u>Founding fund</u>	<u>Endowment fund</u>	<u>Accumulated earnings</u>	<u>Unrealized gains and losses on financial assets measured at fair value through other comprehensive income</u>	<u>Total fund balances</u>
<u>2023</u>						
Balance at January 1, 2023		\$ 11,614,338,576	\$ 854,499,496	\$ 2,863,177,532	\$ 26,879,281	\$ 15,358,894,885
Deficiency of revenues over expenses for 2023		-	-	( 6,990,930 )	-	( 6,990,930 )
Other comprehensive income	6(2)	-	-	-	51,058,651	51,058,651
Balance at December 31, 2023		<u>\$ 11,614,338,576</u>	<u>\$ 854,499,496</u>	<u>\$ 2,856,186,602</u>	<u>\$ 77,937,932</u>	<u>\$ 15,402,962,606</u>
<u>2024</u>						
Balance at January 1, 2024		\$ 11,614,338,576	\$ 854,499,496	\$ 2,856,186,602	\$ 77,937,932	\$ 15,402,962,606
Excess of revenues over expenses for 2024		-	-	150,291,554	-	150,291,554
Other comprehensive income	6(2)	-	-	-	163,817,120	163,817,120
Disposal of financial instruments measured at fair value through other comprehensive income	6(2)	-	-	2,126,694	( 2,126,694 )	-
Balance at December 31, 2024		<u>\$ 11,614,338,576</u>	<u>\$ 854,499,496</u>	<u>\$ 3,008,604,850</u>	<u>\$ 239,628,358</u>	<u>\$ 15,717,071,280</u>

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



INTERNATIONAL COOPERATION AND DEVELOPMENT FUND  
STATEMENTS OF CASH FLOWS  
YEARS ENDED DECEMBER 31, 2024 AND 2023  
(Expressed in New Taiwan dollars)

		Year ended December 31	
	Notes	2024	2023
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Profit (loss) before tax		\$ 150,291,554	( \$ 6,990,930 )
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(7)(14)	4,745,314	3,672,146
Amortization expense	6(14)	5,284,846	10,396,024
Reversal of allowance for bad debts	6(16)	( 4,473,342 )	( 3,750,391 )
Financial assets measured at amortized cost - interest amortization		75,714	2,345,070
Loss on disposal of property, plant and equipment	6(7)	2,780,657	894,093
Changes in assets and liabilities			
Receivables		24,557,972	( 17,138,544 )
Prepayments		( 779,165 )	( 2,317,957 )
Other current assets		8,564,305	( 3,254,874 )
Accrued expenses		9,636,365	2,343,966
Other payables		( 71,398,117 )	( 109,973,932 )
Collections payable		392,163	( 29,441 )
Other current liabilities		( 1,873,351 )	1,841,056
Other liabilities		-	( 51,000 )
Net cash flows from (used in) operating activities		<u>127,804,915</u>	<u>( 122,014,714 )</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Increase in long-term loans receivable	6(6)	( 103,112,450 )	( 641,451,500 )
Proceeds from long-term loans receivable	6(6)	716,971,115	642,153,028
Increase in financial assets measured at fair value through other comprehensive income		( 98,184,757 )	( 98,555,149 )
Proceeds from disposal of financial assets measured at fair value through other comprehensive income		3,652,377	-
Increase in financial assets measured at amortized cost		( 222,833,936 )	( 1,099,791,552 )
Proceeds upon maturity of financial assets measured at amortized cost		369,210,000	800,000,000
Increase in financial assets carried at cost		( 154,650,000 )	( 184,290,000 )
Increase in property, plant and equipment	6(7)	( 3,221,508 )	( 11,585,688 )
(Increase) decrease in deposits-out		( 56,105 )	78,477
Increase in deferred assets		( 868,803 )	( 9,070,000 )
Proceeds from disposal of property, plant and equipment		3,000	621,296
Net cash flows from (used in) investing activities		<u>506,908,933</u>	<u>( 601,891,088 )</u>
<b><u>CASH FLOWS FROM FINANCING ACTIVITIES</u></b>			
Proceeds from long-term debt		( 432,450,000 )	( 288,300,000 )
Decrease in deposits-in		( 2,459,000 )	( 172,000 )
Net cash flows used in financing activities		<u>( 434,909,000 )</u>	<u>( 288,472,000 )</u>
Net increase (decrease) in cash and cash equivalents		199,804,848	( 1,012,377,802 )
Cash and cash equivalents at beginning of year		4,317,122,727	5,329,500,529
Cash and cash equivalents at end of year		<u>\$ 4,516,927,575</u>	<u>\$ 4,317,122,727</u>

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

INTERNATIONAL COOPERATION AND DEVELOPMENT FUND  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2024 AND 2023

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

1. HISTORY AND ORGANIZATION

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 (TaiwanICDF) was formed and approved by the Ministry of Foreign Affairs (MOFA) on June 29, 1996. TaiwanICDF was formed to succeed the International Economic Cooperation Development Fund (IECDF) management committee on June 30, 1996.

The mission of TaiwanICDF 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. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These financial statements were authorised for issuance by the Board of Directors on March 21, 2025.

3. CHANGES IN ACCOUNTING POLICIES

None.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all reporting periods, unless otherwise stated.

(1) Compliance statement

The financial statements of the TaiwanICDF have been prepared in accordance with the requirements of Regulations Governing Accounting Handling and Preparation of Financial Reports of Foundations established and approved by the Ministry of Foreign Affairs, accounting policies of TaiwanICDF (including proposed revision), the relevant laws and regulations formulated by the central government, Enterprise Accounting Standards and their interpretations announced by Accounting Research and Development Foundation (collectively referred herein as the “EAS”).

The financial statements have been prepared in accordance with the abovementioned regulations and standards.

(2) Basis of preparation

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 TaiwanICDF adopted accrual basis, anything accounted at cash basis will be adjusted to accrual basis during closing of accounts.

(3) Foreign currency translation

TaiwanICDF 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.

(4) 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 that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
  - (b) Assets held mainly for trading purposes;
  - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
  - (d) Cash or cash equivalents, excluding cash and cash equivalents that are restricted from being exchanged, used to settle liabilities for at least twelve months after the balance sheet date or restricted by other factors.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
- (a) Liabilities that are expected to be settled within the normal operating cycle;
  - (b) Liabilities arising mainly from trading activities;
  - (c) Liabilities that are to be settled within twelve months after the balance sheet date;
  - (d) Liabilities for which the repayment date cannot be deferred unconditionally for at least twelve months after the balance sheet date.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(6) Financial assets at fair value through other comprehensive income

- A. Financial assets at fair value through other comprehensive income comprise particular equity securities which are not held for trading, and for which the entity has made an irrevocable election at initial recognition to recognise changes in fair value as other comprehensive income and debt instruments which meet all of the following criteria:
- (a) The financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
  - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using settlement date accounting.
- C. Financial assets at fair value through other comprehensive income are initially recognised at fair value plus transaction costs. These financial assets are subsequently remeasured and stated at fair value:
- (a) The changes in fair value of equity investments are recognised as gain or loss in other comprehensive income before derecognition. The cumulative gain or loss previously recognised in other comprehensive income is not transferred to profit or loss but is reclassified to retained earnings following the derecognition of the investment. Dividends are recognised in profit or loss when the right to receive payment is established unless the dividend clearly represents a recovery of part of the cost of the investment.

- (b) The changes in fair value of debt investments are recognised as gain or loss in other comprehensive income before derecognition, except for impairment gain or loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss following the derecognition of the investment.

(7) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
  - (a) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
  - (b) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using settlement date accounting.
- C. Financial assets at amortised cost are initially recognised at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is impaired or derecognised.

(8) Financial assets measured at cost

- A. Financial assets measured at cost are equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured or derivatives that are linked to and must be settled by delivery of such unquoted equity instruments.
- B. On a regular way purchase or sale basis, financial assets measured at cost are recognised and derecognised using trade date accounting.
- C. Financial assets measured at cost are initially recognised at fair value plus transaction costs and subsequently measured at cost. When financial assets are derecognised, the gain or loss is recognised in profit or loss for those financial assets initially classified as fair value through profit or loss. For those financial assets initially classified as fair value through other comprehensive income, the cumulative gain or loss previously recognised as other comprehensive income is not transferred to profit or loss but is reclassified to retained earnings.

(9) Impairment of financial asset

- A. The TaiwanICDF assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.
- B. The criteria that the TaiwanICDF uses to determine whether there is objective evidence of an impairment loss is as follows:
  - (a) Significant financial difficulty of the issuer or debtor ;
  - (b) A breach of contract, such as a default or delinquency in interest or principal payments;
  - (c) For economic or legal reasons relating to the borrower's financial difficulty, granted the borrower a concession that a lender would not otherwise consider;
  - (d) It becomes probable that the borrower will enter bankruptcy or other financial reorganisation;

- (e) Observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial asset in the group, including adverse changes in the payment status of borrowers in the group or national or local economic conditions that correlate with defaults on the assets in the group;
  - (f) Information about significant changes with an adverse effect that have taken place in the technology, market, economic or legal environment in which the issuer of the equity instruments operates, and indicates that the cost of the investment in the equity instrument may not be recovered.
- C. When the TaiwanICDF assesses that there has been objective evidence of impairment loss of financial assets, the amount of impairment loss is determined as follows according to the category of financial assets:
- (a) Financial assets measured at amortised cost  
The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate, and is recognised in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset does not exceed its amortised cost that would have been at the date of reversal had the impairment loss not been recognised previously. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.
  - (b) Financial assets measured at cost  
The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at current market return rate of similar financial asset, and is recognised in profit or loss. Impairment loss recognised for this category shall not be reversed subsequently. Impairment loss is recognised by adjusting the carrying amount of the asset through the use of an impairment allowance account.
  - (c) Available-for-sale financial assets  
The amount of the impairment loss is measured as the difference between the asset's acquisition cost (less any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss, and is reclassified from 'other comprehensive income' to 'profit or loss'. If, in a subsequent period, the fair value of an investment in a debt instrument increases, and the increase can be related objectively to an event occurring after the impairment loss was recognised, such impairment loss is reversed through profit or loss. Impairment loss of an investment in an equity instrument recognised in profit or loss shall not be reversed through profit or loss. Impairment loss is recognised and reversed by adjusting the carrying amount of the asset through the use of an impairment allowance account.

(10) Accounts receivable

Retained money receivable on completed projects

Any unfunded projects that need to be included in the final accounts due to the government budget, or need to be approved to be retained until next year.

(11) Allowance for uncollectible accounts

The provision of reserve for bad debts is made based on their risk levels in accordance with the Regulation for TaiwanICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.

(12) Long-term loans receivable

Foreign currency loans are stated at historical exchange rates.

(13) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. In case of replacement of one part of the property, plant and equipment, the new part is capitalised to the extent that it is probable that future economic benefits associated with the item will flow to the TaiwanICDF, and the carrying amount of the part replaced is derecognised. All other repairs and maintenance are charged to profit or loss when incurred.

C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately, unless it is impracticable. The estimated useful lives of property, plant and equipment are as follows:

Machinery and equipment	3 ~ 10 years
Transportation equipment	2 ~ 10 years
Miscellaneous equipment	3 ~ 10 years
Leasehold improvements	5 years

D. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under EAS 4, 'Accounting policies, estimates and errors', from the date of the change.

(14) Impairment of non-financial assets

A. The TaiwanICDF assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. The impairment loss on revalued assets is recognised in other comprehensive income to the extent of amount of unrealised revaluation surplus; excess is recognised in profit or loss, if any.

B. Where the recoverable amount increases in subsequent period, the book value of the asset is adjusted to its recoverable amount. The carrying amount after reversal should not exceed its book value (less depreciation or amortisation amount) that would have been if the impairment had not been recognised. Reversal of impairment loss is recognised in profit or loss, but gain on reversal of impairment loss on revalued assets is recognised in profit or loss to the extent of impairment loss initially recognised in profit or loss; excess is recognised in other comprehensive income as unrealised revaluation surplus of the asset.

(15) Accounts payable

Retained money payable on completed projects

Any unfunded projects that need to be included in the final accounts due to the government budget, or need to be approved to be retained until next year.

(16) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred at the dates of the transactions and subsequently measured at amortised cost using the effective interest method. Interest amortised using the effective interest method is recognised in profit or loss.

(17) Retirement plan

A. TaiwanICDF had a non-contributory pension plan originally, covering all regular employees, which was defined by the Fund. TaiwanICDF 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, TaiwanICDF has established a funded defined contribution pension plan (the "New Plan") under the Labor Pension Act. Under the New Plan, TaiwanICDF 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 TaiwanICDF's retirement fund.

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

(18) 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.

(19) 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.

5. CRITICAL ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

None.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31,	
	2024	2023
Petty cash	\$ 110,000	\$ 110,000
Demand deposits	1,125,944,114	664,042,623
Time deposits	3,390,873,461	3,652,970,104
	<u>\$ 4,516,927,575</u>	<u>\$ 4,317,122,727</u>

The time deposits undertaken by the foundation in 2024 and 2023 had interest rate ranges of 1.45% to 5.4% and 1.1% to 5.86%, respectively.

(2) Financial assets at fair value through profit or loss

Items	December 31,	
	2024	2023
Non-current items :		
Equity instruments		
Exchange traded funds	\$ 351,928,142	\$ 255,269,068
Valuation adjustments	239,628,358	77,937,932
	<u>\$ 591,556,500</u>	<u>\$ 333,207,000</u>

A. The details of financial assets measured at fair value through other comprehensive income recognized in accumulated other comprehensive income are as follows:

For the years ended December 31,

	2024	2023
Fair value changes recognized in accumulated other comprehensive income	<u>\$ 163,817,120</u>	<u>\$ 51,058,651</u>
Accumulated profits reclassified to accumulated earnings due to derecognition	<u>(\$ 2,126,694)</u>	<u>\$ -</u>

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

(3) Financial assets at amortised cost

Items	December 31,	
	2024	2023
<u>Current items</u>		
Corporate bonds	<u>\$ 832,164,268</u>	<u>\$ 369,962,221</u>
<u>Non-current items</u>		
Government bonds	\$ 381,527,587	\$ 384,025,593
Corporate bonds	1,748,353,531	2,353,324,400
	<u>\$ 2,129,881,118</u>	<u>\$ 2,737,349,993</u>

The TaiwanICDF recognised interest income of \$90,050,389 and \$82,335,250 for the years ended December 31, 2024 and 2023, respectively.



(4) Financial assets measured at cost

Items	December 31, 2024		December 31, 2023	
	Carrying amounts		Carrying amounts	
	(NT\$)	Ownership	(NT\$)	Ownership
Financial assets at fair value through profit or loss				
<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)	
	169,000,000		169,000,000	
Tauwan's Agricultural Development Impairment	7,435,640	4.45%	7,435,640	4.45%
Less:				
Accumulated impairment	-		-	
	7,435,640		7,435,640	
Gojo & Company, Inc	154,650,000	0.65%	-	-
Less:				
Accumulated impairment	-		-	
	154,650,000		-	
	331,085,640		176,435,640	
<u>International institution investment fund:</u>				
FIISF-Smail Business Account-Phase III	\$ 1,174,490,000		\$ 1,174,490,000	
	(=US\$ 38,000,000)		(=US\$ 38,000,000)	
Agribusiness Account	474,630,000		474,630,000	
	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
Innovation and Sustainability in Agribusiness Value Chains Account	602,960,000		602,960,000	
	(=US\$ 20,000,000)		(=US\$ 20,000,000)	
Less:	( 18,165,864)		( 18,165,864)	
Accumulated impairment	(=US\$ 591,433)		(=US\$ 591,433)	
	2,233,914,136		2,233,914,136	
EBRD Financial Intermediary and Private Enterprises Investment Special Fund- Agribusiness Account	476,300,000		476,300,000	
	(=US\$ 15,000,000)		(=US\$ 15,000,000)	
	2,710,214,136		2,710,214,136	
Total	\$ 3,041,299,776		\$ 2,886,649,776	

A. TaiwanICDF and the European Bank for Reconstruction Development (EBRD) entered into a contribution agreement dated May 19, 2011 in respect of the Financial Intermediary and Private Enterprises Investment Special Fund (FIPEISF)-Small Business Account III (SBA III), as amended on April 19, 2017 and March 19, 2019, pursuant to which TaiwanICDF had committed US\$50,000,000. The contribution to SBA III is used to co-finance EBRD lending operations with financial intermediaries

for on-lending to micro and small enterprises. TaiwanICDF's accumulated contribution both amounted to US\$38,000,000 as of December 31, 2024 and 2023.

- B. TaiwanICDF and the EBRD entered into a contribution agreement dated November 18, 2015 in respect of the FIPEISF-Agribusiness Account (ABA), pursuant to which TaiwanICDF had committed US\$15,000,000. The contribution to the ABA is mainly used to co-finance EBRD lending operations for the private enterprises operating in agribusiness sector. TaiwanICDF's accumulated contribution both amounted to US\$15,000,000 as of December 31, 2024 and 2023.
- C. TaiwanICDF and the EBRD entered into a contribution agreement dated November 27, 2019 in respect of the FIPEISF- Innovation and Sustainability in Agribusiness Value Chains Account (ISAVCA), pursuant to which TaiwanICDF had committed US\$20,000,000. The contribution to the ISAVCA is mainly used to co-finance EBRD lending operations for the private enterprises operating in agribusiness sector. TaiwanICDF's accumulated contribution both amounted to US\$20,000,000 as of December 31, 2024 and 2023.
- D. TaiwanICDF and the Inter-American Development Bank (IDB) entered into an agreement dated March 27, 2006 in respect of the Specialized Financial Intermediary Development Fund (SFIDF), pursuant to which TaiwanICDF had committed US\$15,000,000. The contribution to the SFIDF is used to co-invest in, or co-finance well-performing microfinance institutions with the LAB of IDB Group. TaiwanICDF's accumulated contribution both amounted to US\$15,000,000 as of December 31, 2024 and 2023.
- E. Taiwan's Agricultural Development Corporation has passed a resolution during the Board of Directors' meeting held on June 18, 2024, and June 15, 2023, for the capitalization of retained earnings through the issuance of new shares. The capitalization base date were September 18, 2024 and September 5, 2023, resulting in the TaiwanICDF's shareholding increasing from 765,128 to 803,175 shares while maintaining shareholding percentage of 4.45%.
- F. TaiwanICDF and Gojo & Company Inc. entered into an agreement dated May 30, 2024, pursuant to which TaiwanICDF had committed JPY\$750,000,000, which corresponds to a shareholding ratio of 0.65%. TaiwanICDF's accumulated contribution amounted to JPY\$750,000,000 as of December 31, 2024.
- G. The above listed foreign currency investments projects are stated using the historical exchange rate.
- H. See Appendix 2 for the statement of changes in financial assets carried at cost for the year ended December 31, 2024.

(5) Other receivables

	December 31,	
	2024	2023
Retained money receivable on completed projects	\$ 188,986,902	\$ 272,987,834
Interest receivable	105,428,650	121,590,153
Other receivables	98,585	9,950,004
	294,514,137	404,527,991
Less: Allowance for doubtful accounts	( 571,024)	( 687,233)
	<u>\$ 293,943,113</u>	<u>\$ 403,840,758</u>

(6) Long-term loans receivable

	December 31,	
	2024	2023
<u>Current items</u>		
Current portion of long-term loans receivable	\$ 405,482,582	\$ 422,719,142
Less: Allowance for doubtful accounts	( 6,984,770)	( 7,250,047)
Net	<u>\$ 398,497,812</u>	<u>\$ 415,469,095</u>
<u>Non-current items</u>		
Long-term loans receivable	7,160,288,477	7,756,910,582
Less: Allowance for doubtful accounts	( 85,494,714)	( 89,586,570)
Net	<u>7,074,793,763</u>	<u>7,667,324,012</u>
Total	<u>\$ 7,473,291,575</u>	<u>\$ 8,082,793,107</u>

A. TaiwanICDF 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, 2024 and 2023, the total outstanding loans denominated are as follows:

	December 31,	
Total outstanding loans :	2024	2023
USD	189,103,853.64	203,067,692.28
AUD	17,149,811.68	18,026,289.20
EUR	44,993,892.18	49,381,758.37

B. Allowances for doubtful accounts were based on the Regulation for TaiwanICDF Dealings with Past Due/Non-Performing Loans and Bad Debts.

C. 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, TaiwanICDF filed a legal claim against PIO on September 1, 2003. The court in Ciudad del Este ruled in favor of TaiwanICDF 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 TaiwanICDF's 51st board resolution, TaiwanICDF 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 payments made by MOFA for year 2014 and installments would resume starting from 2015 through annual budgets, and a payment of US\$500,000 was made in years 2015 to 2024, total US\$5,000,000. As of December 31, 2024, the MOFA had repaid US\$10,793,162.77 and the remaining balance was US\$210,325.55.

D. There was no significant past due loan as of December 31, 2024 and 2023.

E. See Appendix 1 for the statement of changes in long-term loans for the year ended December 31, 2024.

(7) Property, plant and equipment

	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Miscellaneous equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>At January 1,</u> <u>2024</u>					
Cost	\$ 47,913,849	\$ 4,027,846	\$ 4,857,225	\$ 3,857,054	\$60,655,974
Accumulated depreciation	( 26,538,192)	( 1,959,434)	( 2,957,799)	( 3,214,212)	( 34,669,637)
	<u>\$ 21,375,657</u>	<u>\$ 2,068,412</u>	<u>\$ 1,899,426</u>	<u>\$ 642,842</u>	<u>\$25,986,337</u>
<u>2024</u>					
Opening net book amount as at January 1	\$ 21,375,657	\$ 2,068,412	\$ 1,899,426	\$ 642,842	\$25,986,337
Additions	2,964,338	221,890	35,280	-	3,221,508
Disposals	( 2,628,546)	( 40,833)	( 19,680)	( 94,598)	( 2,783,657)
Depreciation charge	( 4,084,275)	( 303,836)	( 357,203)	-	( 4,745,314)
Closing net book amount as at December 31	<u>\$ 17,627,174</u>	<u>\$ 1,945,633</u>	<u>\$ 1,557,823</u>	<u>\$ 548,244</u>	<u>\$21,678,874</u>
<u>At December 31,</u> <u>2024</u>					
Cost	\$ 34,124,973	\$ 3,946,811	\$ 4,760,847	\$ 3,289,466	\$46,122,097
Accumulated depreciation	( 16,497,799)	( 2,001,178)	( 3,203,024)	( 2,741,222)	( 24,443,223)
	<u>\$ 17,627,174</u>	<u>\$ 1,945,633</u>	<u>\$ 1,557,823</u>	<u>\$ 548,244</u>	<u>\$21,678,874</u>

	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Miscellaneous equipment</u>	<u>Leasehold improvements</u>	<u>Total</u>
<u>At January 1, 2023</u>					
Cost	\$ 43,018,122	\$ 3,754,606	\$ 4,832,702	\$ 3,857,054	\$55,462,484
Accumulated depreciation	( 28,161,996)	( 1,777,985)	( 2,720,107)	( 3,214,212)	( 35,874,300)
	<u>\$ 14,856,126</u>	<u>\$ 1,976,621</u>	<u>\$ 2,112,595</u>	<u>\$ 642,842</u>	<u>\$19,588,184</u>
<u>2023</u>					
Opening net book amount as at January 1	\$ 14,856,126	\$ 1,976,621	\$ 2,112,595	\$ 642,842	\$19,588,184
Additions	10,532,067	878,355	175,266	-	11,585,688
Disposals	( 1,014,264)	( 478,298)	( 22,827)	-	( 1,515,389)
Depreciation charge	( 2,998,272)	( 308,266)	( 365,608)	-	( 3,672,146)
Closing net book amount as at December 31	<u>\$ 21,375,657</u>	<u>\$ 2,068,412</u>	<u>\$ 1,899,426</u>	<u>\$ 642,842</u>	<u>\$25,986,337</u>
<u>At December 31, 2023</u>					
Cost	\$ 47,913,849	\$ 4,027,846	\$ 4,857,225	\$ 3,857,054	\$60,655,974
Accumulated depreciation	( 26,538,192)	( 1,959,434)	( 2,957,799)	( 3,214,212)	( 34,669,637)
	<u>\$ 21,375,657</u>	<u>\$ 2,068,412</u>	<u>\$ 1,899,426</u>	<u>\$ 642,842</u>	<u>\$25,986,337</u>

(8) Payables

	<u>December 31,</u>	
	<u>2024</u>	<u>2023</u>
Retained money payable on completed projects	\$ 341,491,099	\$ 428,449,602
Accrued expenses	47,997,125	37,109,616
Interest payable	8,898,323	10,149,467
Other payables	101,191,960	172,590,077
	<u>\$ 499,578,507</u>	<u>\$ 648,298,762</u>

(9) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2024
Bank borrowings				
Long-term borrowings	15-Jun-42	0.60%	-	\$ 2,883,000,000
Less: Current portion				( 326,457,370)
				<u>\$ 2,556,542,630</u>

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Bank borrowings				
Long-term borrowings	15-Jun-42	0.40%	-	\$ 3,315,450,000
Less: Current portion				( 288,300,000)
				<u>\$ 3,027,150,000</u>

Note: The interest rate is calculated at the six-month CME Term SOFR plus 0.6 percentage points for the first two business days.

TaiwanICDF participated in providing credit to finance the Public Sector Operations and Financial Sector Support Facility for MSMEs led by the Central American Bank for Economic Integration (CABEI) in 2020, and received loans from the Bank of Taiwan amounting to US\$50,000,000 and US\$80,000,000, respectively. As of December 31, 2024 and 2023, TaiwanICDF had repaid US\$15,000,000 and US\$10,000,000, respectively.

(10) Retirement funds

A. TaiwanICDF 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 a financial institution was \$90,555,977 and \$98,904,895 as of December 31, 2024 and 2023, respectively.

B. The details of employees' retirement funds allocated by TaiwanICDF are as follows:

	For the years ended December 31,	
	2024	2023
Balance at the beginning of the year	\$ 98,904,895	\$ 96,529,191
Interest income	1,571,814	1,309,008
Contribution during the year	4,330,000	4,330,000
Payments during the year	( 14,250,732)	( 3,263,304)
Balance at the end of the year	<u>\$ 90,555,977</u>	<u>\$ 98,904,895</u>

C. Effective September 1, 2009, TaiwanICDF has been an 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 TaiwanICDF'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, TaiwanICDF 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.

D. Effective September 1, 2009, TaiwanICDF has established a funded defined contribution pension plan (the “New Plan”) under the Labor Pension Act. Under the New Plan, TaiwanICDF 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, 2024 and 2023 amounted to \$12,472,354 and \$12,225,541, respectively.

(11) Funds

- A. 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. As of December 31, 2024, the total amount of the assets registered with TaiwanICDF was \$15,402,962,606.
- B. The donated fund of TaiwanICDF consisted of the following items:
- (a) The amount of \$4,423,541 from MOFA’s Committee of International Technical Cooperation (CITC) was consolidated in TaiwanICDF 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 TaiwanICDF in Providing Guarantee for Credit Facilities Extended to Private Enterprises Which Invest in Countries with Formal Diplomatic Relationships.

(12) Accumulated earnings

TaiwanICDF 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 TaiwanICDF is a non-profit organization, distribution of income is not permitted in accordance with its Articles of Association.

(13) Contracted project expenses

	For the years ended December 31,	
	2024	2023
Personnel expenses	\$ 393,638,317	\$ 367,604,252
Operating expenses	777,969,017	702,475,250
Travel and transportation expense	53,402,062	60,574,984
Equipment investment expense	234,697,282	150,691,823
	<u>\$ 1,459,706,678</u>	<u>\$ 1,281,346,309</u>

(14) Personnel expenses, depreciation and amortization

	For the years ended December 31,	
	2024	2023
Personnel expenses(Note)		
Salaries	\$ 150,451,064	\$ 142,298,283
Labor and health insurance	13,526,285	13,166,546
Pension	12,472,354	12,225,541
Others	5,611,474	5,276,783
	<u>\$ 182,061,177</u>	<u>\$ 172,967,153</u>
Depreciation	<u>\$ 4,745,314</u>	<u>\$ 3,672,146</u>
Amortization	<u>\$ 5,284,846</u>	<u>\$ 10,396,024</u>

Note: Included technical partners.

(15) Financial income

	For the years ended December 31,	
	2024	2023
Interest income	\$ 201,722,396	\$ 171,592,473
Foreign exchange gain	44,690,752	-
Investment income-non-operating	10,310,000	8,444,700
	<u>\$ 256,723,148</u>	<u>\$ 180,037,173</u>

(16) Other non-operating income

	For the years ended December 31,	
	2024	2023
Reversal of allowance for doubtful accounts	\$ 4,473,342	\$ 3,750,391
Subsidy and donation income	1,776,532	1,052,100
Others	6,347,645	2,746,750
	<u>\$ 12,597,519</u>	<u>\$ 7,549,241</u>

(17) Income tax

Activities and related expenses of TaiwanICDF are in compliance with “Standard for Non-profit Organizations Exempt from Income Tax”. Accordingly, TaiwanICDF is exempt from income tax. The income tax returns through 2021 have been assessed and approved by the Tax Authority.

7. RELATED PARTY TRANSACTIONS

(1) Name of subsidiaries and the relationship with the TaiwanICDF

Name of related party	Relationship with the TaiwanICDF
Ministry of Foreign Affairs(MOFA)	TaiwanICDF is an entity of government relations under its control

(2) Revenues from contracted projects are all the subsidy received from the contracted projects of the Ministry of Foreign Affairs.

8. PLEDGED ASSETS

None.



9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

- (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 TaiwanICDF amounted to US\$292,654,459.41 and US\$305,154,459.41 as of December 31, 2024 and 2023, respectively. The total amount of loans drawn down amounted to US\$271,924,459.41 and US\$281,204,459.41, and the undisbursed committed balance amounted to US\$20,730,000.00 and US\$23,950,000.00 as of December 31, 2024 and 2023, respectively.
- (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 TaiwanICDF amounted to US\$ 100,000,000, of which US\$ 88,000,000 had been invested as of December 31, 2024 and 2023. The undisbursed committed balance both amounted to US\$ 12,000,000 as of December 31, 2024 and 2023.
- (3) TaiwanICDF 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, 2020 to September 30, 2025 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.

10. SIGNIFICANT EVENTS AFTER BALANCE SHEET DATE

None.

11. PROPERTIES UNDER CUSTODIANSHIP

- (1) The government has placed certain assets under TaiwanICDF'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, 2024 and 2023, the book value of fixed assets under custodianship was \$498,354,575 and \$380,343,830, respectively. In addition, as of December 31, 2024 and 2023, the reserve for severance pay for personnel stationed abroad in charge of the government's assignments, which were administered by TaiwanICDF on behalf of government and for contracted assistants of TaiwanICDF amounted to \$15,428,002 and \$16,320,504, respectively.

- (2) The MOFA has engaged TaiwanICDF to manage the Central American Economic Development Fund (ROC-CAEDF). As of December 31, 2024 and 2023, the total amount of ROC-CAEDF was \$9,267,639,944 and \$8,365,110,808, respectively, and the details of the financial assets of the ROC-CAEDF are as follows:

	December 31, 2024	
	US\$	NT\$
Demand deposits	\$ 1,274,840.07	\$ 41,795,632
Time deposits	250,596,846.85	8,215,817,625
Interest receivable	6,970,697.83	228,534,328
Prepaid expenses	245,813.23	7,987,230
Corporate bonds - current	20,011,097.25	592,360,877
Corporate bonds - non - current	5,917,634.27	181,144,252
	<u>\$ 285,016,929.50</u>	<u>\$ 9,267,639,944</u>

  

	December 31, 2023	
	US\$	NT\$
Demand deposits	\$ 1,921,069.13	\$ 58,986,427
Time deposits	224,991,994.12	6,908,379,179
Interest receivable	6,665,399.33	204,661,086
Prepaid expenses	243,413.91	7,892,696
Corporate bonds - non - current	39,396,794.40	1,185,191,420
	<u>\$ 273,218,670.89</u>	<u>\$ 8,365,110,808</u>

International Cooperation and Development Fund  
Statement of Changes in Long-term Loans  
For the Year Ended December 31, 2024

(Expressed in NT\$)

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	\$ 23,537,951	\$ -	\$ 16,131,500	\$ 7,406,451	May. 2010~May. 2029 (Note)
Phase I Solidarity Reconstruction Program in Nicaragua	4,905,000	-	4,905,000	-	Jul. 2004 ~ Jan. 2024
Phase II Housing Solidarity Reconstruction Program in Nicaragua	16,215,629	-	8,126,973	8,088,656	Mar. 2006 ~ Sep. 2025
Housing Solidarity Reconstruction Program in El Salvador	3,412,000	-	3,412,000	-	Nov. 2004 ~ May. 2024
Belize Tourism Development Project / Caracol road	10,892,184	-	4,305,858	6,586,326	Nov. 2005 ~ May. 2026
Program for Modernizing the National Congress and the Office of the Comptroller General in Dominican Republic	16,352,385	-	6,540,954	9,811,431	Nov. 2004 ~May. 2026
Drinking Water Distribution Project in Petion-Ville-Lot I in Haiti	12,070,737	-	2,015,138	10,055,599	May. 2007 ~ Nov. 2029
Microfinancing and Capacity Building Project in the Gambia	1,067,669	-	1,067,669	-	Mar. 2010 ~ Sep. 2024
Agricultural Production Reactivation Phase II in Nicaragua	43,473,443	-	8,884,502	34,588,941	Mar. 2011 ~ Sep. 2028
Lower Usuthu Smallholder Irrigation Project in Eswatini	22,242,512	-	8,897,008	13,345,504	Jul. 2009 ~ Jan. 2026
Information Technology School Project	51,655,821	-	6,863,390	44,792,431	Sep. 2014 ~ Mar. 2031
Technical and Vocational Education and Training Project in the Gambia	28,942,958	-	3,732,469	25,210,489	Jan. 2016~Jul. 2031
CABEI's Special Fund for the Social Transformation of Central America	60,530,270	-	10,088,378	50,441,892	May. 2012~Nov. 2029
CABEI's Special Fund for the Social Transformation of Central America Phase II	144,790,367	-	17,034,162	127,756,205	Nov. 2014~May. 2032
Taiwan ICDF-CABEI Technological and Vocational Education and	6,299,758	-	6,299,758	-	Jan. 2015~Jul. 2024
The Green Energy Special Fund	1,800,785,029	-	181,745,418	1,619,039,611	The period depends on the sub-projects.
Repair and Upgrade of Bonriki International Airport (Kiribati)	432,618,200	-	22,694,050	409,924,150	Sep. 2021~Mar.2044

International Cooperation and Development Fund  
Statement of Changes in Long-term Loans  
For the Year Ended December 31, 2024

(Expressed in NT\$)

Item	Beginning Balance	Increase in long-term loans	Collection of long-term loans	Ending Balance	Collection Term
Belize City House of Culture and the Downtown Rejuvenation Project	103,120,289	-	13,297,153	89,823,136	Mar. 2018 ~ Sep. 2031
Integral Microfinance Project (El Salvador)	32,807,143	-	13,122,857	19,684,286	Jul. 2019~Jan. 2026
National Broadband Plan	391,254,141	-	60,044,311	331,209,830	Jul. 2021~Jan. 2030
The Home Energy Efficiency and Renewable Energy Project In The Republic Of The Marshall Islands	22,267,504	-	6,218,661	16,048,843	May. 2022~Nov. 2030
Tuvalu Project Loan	44,755,200	-	7,459,200	37,296,000	Jan. 2020~Jul. 2029
Nevis Small Enterprises Re-lending Project	53,316,120	-	-	53,316,120	Jan. 2025~Jul. 2034
Marshall Project Loan	178,395,620	-	-	178,395,620	Sep. 2026~Mar.2052
Women and Youth Entrepreneurs and MSMEs Re-lending Project (Palau)	134,445,294	-	8,564,706	125,880,588	May. 2023~Nov.2039
Financial Sector Support Facility for MSMEs	1,873,000,000	-	288,400,000	1,584,600,000	Nov. 2022~May. 2030
CABEI Credit to finance Public Sector Operations	1,440,000,000	-	-	1,440,000,000	Nov. 2025~May. 2042
Women's Livelihood Loan Project in Southeast and South Asia	86,220,000	-	-	86,220,000	Dec. 2029
MSEs Re-lending Project (Paraguay)	81,880,000	-	7,120,000	74,760,000	Nov. 2023~May.2035
Special Fund for the High Impact Partnership on Climate Action	1,024,325,000	-	-	1,024,325,000	The period depends on the sub-projects.
The Credit Program for Safeguarding the Productive Sectors and Women MSMEs Projects	34,051,500	103,112,450	-	137,163,950	Jan. 2029~Jul. 2048
	8,179,629,724	\$ 103,112,450	\$ 716,971,115	7,565,771,059	
Less: Allowance for doubtful accounts	( 96,836,617)			( 92,479,484)	
	\$ 8,082,793,107			\$ 7,473,291,575	

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. There were no payments made by MOFA for year 2014. The MOFA stated in a letter dated on April 16, 2014 that there were no payments made by MOFA for year 2014 and installments would resume starting from 2015 through annual budgets, and payments of US\$500,000 were made in years 2015 to 2021, totaling US\$5,000,000. As of December 31, 2024, the MOFA had repaid US\$ 10,793,162.77 and the remaining balance was US\$ 210,325.55.

International Cooperation and Development Fund  
Statement of Changes in Financial assets measured at cost  
For the Year Ended December 31, 2024

(Expressed in NT\$)

Item	Beginning Balance		Acquisition of Long-term Investments		Decrease in Long-term Investments		Ending Balance		Note
	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	Ownership	Carrying Amount	
<u>Equity investments accounted for using cost method:</u>									
Overseas Investment & Development Corporation	19.44%	\$ 175,000,000	-	\$ -	-	\$ -	19.44%	\$ 175,000,000	None
Less: Accumulated impairment		( 6,000,000)		-		-		( 6,000,000)	
		<u>169,000,000</u>		<u>-</u>		<u>-</u>		<u>169,000,000</u>	
Taiwan's Agricultural Development Corporation (Note 1)	4.45%	7,435,640		-		-	4.45%	7,435,640	None
Less: Accumulated impairment		-		-		-		-	
		<u>7,435,640</u>		<u>-</u>		<u>-</u>		<u>7,435,640</u>	
Gojo & Company, Inc (Note 2)	-	-		154,650,000		-	0.65%	154,650,000	None
Less: Accumulated impairment		-		-		-		-	
		<u>-</u>		<u>154,650,000</u>		<u>-</u>		<u>154,650,000</u>	
		<u>176,435,640</u>		<u>154,650,000</u>		<u>-</u>		<u>331,085,640</u>	
<u>International Institution Investment Fund:</u>									
FIISF-Small Business Account-Phase III		1,174,490,000		-		-		1,174,490,000	None
Agribusiness Account		474,630,000		-		-		474,630,000	None
Innovation and Sustainability in Agribusiness Value Chains Account		602,960,000		-		-		602,960,000	None
Less: Accumulated impairment		( 18,165,864)		-		-		( 18,165,864)	
		<u>2,233,914,136</u>		<u>-</u>		<u>-</u>		<u>2,233,914,136</u>	
Financial Intermediary Development Fund		476,300,000		-		-		476,300,000	None
		<u>2,710,214,136</u>		<u>-</u>		<u>-</u>		<u>2,710,214,136</u>	
		<u>\$ 2,886,649,776</u>		<u>\$ 154,650,000</u>		<u>\$ -</u>		<u>\$ 3,041,299,776</u>	

International Cooperation and Development Fund  
Statement of Changes in Financial assets measured at cost  
For the Year Ended December 31, 2024

(Expressed in NT\$)

Note1: Taiwan's Agricultural Development Corporation has passed a resolution during the Board of Directors' meeting held on June 18, 2024, and June 15, 2023, for the capitalization of retained earnings through the issuance of new shares. The capitalization base date were September 18, 2024 and September 5, 2023, resulting in the TaiwanICDF's shareholding increasing from 765,128 to 803,175 shares while maintaining shareholding percentage of 4.45%.

Note2: TaiwanICDF and Gojo & Company Inc. entered into an agreement dated May 30, 2024, pursuant to which TaiwanICDF had committed JPY\$750,000,000, which corresponds to a shareholding ratio of 0.65%. TaiwanICDF's accumulated contribution amounted to JPY\$750,000,000 as of December 31, 2024.