

I, Jason Wang, do hereby declare, state, and certify that:

1. I am familiar with both Chinese and English in their form and am fully qualified to translate from Chinese to English.
2. To the best of my knowledge and belief, the attached translation is a true and accurate rendition into English of the attached documents written in Chinese.

Executed on 2017-05-18 at Taipei, Taiwan.

Translator: _____



TO WHOM THIS MAY CONCERN

I, the undersigned, being the director of ELITES TRANSLATION SERVICE
(Business Code: 48947167) registered in Taipei City Government, the
Republic of China, hereby certify:

That the above translator is well qualified in translating such documents, and that I have
carefully read the attached translation and compared same with the original document,
being a true and correct English version of such original in Chinese.

IN WITNESS WHEREOF, I have hereunto set my signature and seal on

2017-05-18

Director: _____



CHOU, TA-WEI



Sunshine Social Welfare Foundation

Financial Statements and Independent Auditors Report
For the Years 2016 and 2015

Address: 3F, 91, Nanking East Road, Section 3,
Jhongshan District, Taipei City

Telephone: (886-2) 2507-8006

Independent Auditors Report

To the Sunshine Social Welfare Foundation:

We have completed the audit of Sunshine Social Welfare Foundation assets, liabilities and statements of funds as of December 31 for the years 2016 and 2015. This includes statements of income and expenditure, statements of changes in funds and cash flow statements from January 1 to December 31, for the years 2016 and 2015 respectively. Preparation of these financial statements is the responsibility of foundation management. Opinion on these financial statements based on audit findings is the responsibility of the independent auditors.

The audit was conducted in accordance with *Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants* and generally accepted auditing standards in order to obtain reasonable assurance of financial statement validity. The audit includes random checks of the amounts listed in financial statements and evidence of the events disclosed, assessment of the accounting principles used by management in preparing financial statements and significant accounting estimates, as well as evaluation of the overall financial statement presentation. We believe that the audit work provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above, in all material respects, were prepared in accordance with generally accepted accounting principles and relevant regulations. Statements are adequate in expressing Sunshine Social Welfare Foundation assets, liabilities and fund balances as of December 31 for the years 2016 and 2015, and balance of income and expenditure and cash flows from January 1 to December 31 for the years 2016 and 2015.

Deloitte & Touche, CPAs
Accountant HUANG Shiu-Chun
March 25th, 2017

Sunshine Social Welfare Foundation
Balance Sheet and Statement of Funds
December 31, 2016 & 2015

Unit: New Taiwan Dollar

| Assets | <u>December 31, 2016</u> | | <u>December 31, 2015</u> | | Liabilities and Funds | <u>December 31, 2016</u> | | <u>December 31, 2015</u> | |
|--|--------------------------|------------|--------------------------|------------|--|--------------------------|------------|--------------------------|------------|
| | Amount | % | Amount | % | | Amount | % | Amount | % |
| Current assets | | | | | Current liabilities | | | | |
| Cash (note 4) | \$399,330,608 | 49 | \$395,023,866 | 45 | Accounts payable | \$3,363,379 | - | \$2,468,625 | - |
| Accounts receivable (notes 3 and 5) | 19,426,112 | 2 | 21,705,967 | 3 | Accrued expenses (note 10) | 52,999,080 | 7 | 48,909,876 | 6 |
| Inventory (notes 3 and 6) | 3,393,730 | 1 | 2,664,510 | - | Other current liabilities | <u>17,208,659</u> | <u>2</u> | <u>31,035,151</u> | <u>3</u> |
| Restricted assets - current (note 8) | 2,798,881 | - | 195,563,562 | 22 | Total current liabilities | <u>73,571,118</u> | <u>9</u> | <u>82,413,652</u> | <u>9</u> |
| Prepaid expenses and other current assets | <u>4,432,951</u> | <u>1</u> | <u>4,571,649</u> | <u>1</u> | Other liabilities | | | | |
| Total current assets | 429,382,282 | 53 | 619,529,554 | 71 | Accrued project development reserve liabilities (notes 3, 15 and 17) | 45,370,000 | 6 | - | - |
| Fund time deposits (notes 2, 3, 7 and 18) | 50,442,680 | 6 | 50,442,680 | 6 | Accrued pension liabilities (notes 3 and 11) | 125,735 | - | 119,256 | - |
| Financial assets valued at cost (notes 2, 3, 7 and 18) | 1,948,320 | - | 1,948,320 | - | Guarantee deposits received | <u>10,000</u> | <u>=</u> | <u>30,000</u> | <u>=</u> |
| Fixed assets - net value (notes 3, 9 and 18) | 174,966,317 | 21 | 192,995,079 | 22 | Total other liabilities | <u>45,505,735</u> | <u>6</u> | <u>149,256</u> | <u>=</u> |
| Restricted assets - non-current assets (notes 3, 8, 15 and 17) | <u>151,792,807</u> | <u>19</u> | <u>=</u> | <u>=</u> | Total liabilities | <u>119,076,853</u> | <u>15</u> | <u>82,562,908</u> | <u>9</u> |
| Other assets | <u>7,861,568</u> | <u>1</u> | <u>7,690,404</u> | <u>1</u> | Funds | | | | |
| Total assets | <u>\$816,393,974</u> | <u>100</u> | <u>\$872,606,037</u> | <u>100</u> | Foundation funds (notes 2, 3, 7 and 18) | 162,276,000 | 20 | 162,276,000 | 19 |
| | | | | | Asset funds (notes 3, 9 and 18) | 10,894,218 | 1 | 11,414,649 | 1 |
| | | | | | Reserves (notes 8 and 18) | 117,145,857 | 14 | 205,369,653 | 24 |
| | | | | | Balance of income and expenses | <u>407,001,046</u> | <u>50</u> | <u>410,982,827</u> | <u>47</u> |
| | | | | | Total funds | <u>697,317,121</u> | <u>85</u> | <u>790,043,129</u> | <u>91</u> |
| | | | | | Total liabilities and funds | <u>\$816,393,974</u> | <u>100</u> | <u>\$872,606,037</u> | <u>100</u> |

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

Chairman: MA Hae-Shya

CEO: SHU Ching-Shien

Accounting Officer in charge: TSAI Kuo-Ruey

Sunshine Social Welfare Foundation
Statement of Income and Expenditures
January 1 to December 31, 2016 & 2015

Unit: New Taiwan Dollar

| | 2016 | | 2015 | |
|---|--------------------|------------|--------------------|------------|
| | Amount | % | Amount | % |
| Income and benefits | | | | |
| Income from donations (notes 2, 3, 8, and 12) | \$ 159,949,852 | 71 | \$ 613,172,238 | 91 |
| Income from subsidiaries (note 2, 3 and 13) | 44,027,065 | 19 | 36,321,811 | 5 |
| Income from sale of assistive devices (notes 2 and 3) | 3,584,286 | 2 | 10,123,941 | 2 |
| Income from interest (note 2) | 4,712,317 | 2 | 3,679,365 | 1 |
| Income from charity sales (notes 2 and 3) | 2,398,323 | 1 | 2,195,869 | - |
| Income from services | - | - | 341,416 | - |
| Foreign exchange gain (note 3) | 15,923 | - | 247,324 | - |
| Net profit from operating subsidiaries (notes 16) | 7,009,735 | 3 | 2,379,707 | - |
| Other income | <u>5,177,141</u> | <u>2</u> | <u>6,002,053</u> | <u>1</u> |
| Total income and benefits | <u>226,874,642</u> | <u>100</u> | <u>674,463,724</u> | <u>100</u> |
| Expenditure and losses | | | | |
| Salaries (note 14) | 116,796,558 | 52 | 82,095,017 | 12 |
| Project and activity expenditures | 44,937,429 | 20 | 35,009,328 | 5 |
| Financial aid | 40,742,974 | 18 | 53,020,640 | 8 |
| Repair and renovations | 2,808,601 | 1 | 3,193,202 | 1 |
| Insurance (note 14) | 13,590,680 | 6 | 9,784,500 | 1 |
| Post and communication | 2,182,568 | 1 | 1,805,709 | - |
| Meal allowance (note 14) | 4,865,688 | 2 | 3,326,883 | 1 |
| Pension fund (notes 3, 11 and 14) | 7,422,425 | 3 | 5,261,763 | 1 |
| Utilities | 3,165,206 | 2 | 1,919,292 | - |
| Travel | 1,255,240 | 1 | 1,304,709 | - |
| Stationery | 750,131 | - | 880,113 | - |
| Rentals | 9,267,276 | 4 | 5,303,009 | 1 |
| Depreciation (notes 3, 9 and 14) | 18,591,631 | 8 | 7,180,702 | 1 |
| Net loss from operating subsidiaries (notes 3, 15 and 17) | 45,370,000 | 20 | - | - |
| Other (attachment 1) | <u>7,333,812</u> | <u>3</u> | <u>11,714,567</u> | <u>2</u> |
| Total expenditure and losses | <u>319,080,219</u> | <u>141</u> | <u>221,799,434</u> | <u>33</u> |

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| | 2016 | | 2015 | |
|---|-----------------------|--------|-----------------------|----|
| | Amount | % | Amount | % |
| Budget (deficit) surplus before tax | (92,205,577) | (41) | 452,664,290 | 67 |
| Income tax expenditure (notes 3 and 17) | - | - | - | - |
| Budget (deficit) surplus | (92,205,577) | (41) | 452,664,290 | 67 |
| Balance at the beginning of the year | 410,982,827 | | 112,920,834 | |
| Allowance for service reserve fund (note 8) | - | | (174,361,932) | |
| Reserve fund expenditure (notes 8 and 18) | 88,223,796 | | 19,759,635 | |
| Balance at the end of the year | <u>\$ 407,001,046</u> | | <u>\$ 410,982,827</u> | |

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

Chairman: MA
Hae-Shya

CEO: SHU
Ching-Shien

Accounting Officer
in charge:

TSAI
Kuo-Ruey

Sunshine Social Welfare Foundation
Statement of Changes in Funds
January 1 to December 31, 2016 & 2015

Unit: New Taiwan Dollar

| | Foundation funds (Notes 2, 3, 7 and 18) | Asset funds (Notes 3, 9 and 18) | Business Incubator Reserve Fund | Reserves (Notes 8 and 18) Service Reserve Fund | Sub-Total | Income and expenditures | Total of Funds |
|--|--|------------------------------------|---------------------------------------|--|----------------------|----------------------------|----------------------|
| Balance as of January 1, 2015 | \$162,276,000 | \$11,414,649 | \$12,133,034 | \$38,634,322 | \$50,767,356 | \$112,920,834 | \$337,378,839 |
| Budget surplus in 2015 | - | - | - | - | - | 452,664,290 | 452,664,290 |
| Allowance for service reserve fund | - | - | - | 174,361,932 | 174,361,932 | (174,361,932) | - |
| Service Reserve Fund expenditures | - | - | - | (17,432,692) | (17,432,692) | 17,432,692 | - |
| Business Incubator Reserve Fund expenditures | - | - | (2,326,943) | - | (2,326,943) | 2,326,943 | - |
| Balance as of December 31, 2015 | \$162,276,000 | \$11,414,649 | 9,806,091 | 195,563,562 | 205,369,653 | 410,982,827 | 790,043,129 |
| Disposal of asset fund – fixed assets | - | (520,431) | - | - | - | - | (520,431) |
| Balance of income and expenditures in 2016 | - | - | - | - | - | (92,205,577) | (92,205,577) |
| Service Reserve Fund expenditures | - | - | - | (86,341,874) | (86,341,874) | 86,341,874 | - |
| Business Incubator Reserve Fund expenditures | - | - | (1,881,922) | - | (1,881,922) | 1,881,922 | - |
| Balance as of December 31, 2016 | <u>\$162,276,000</u> | <u>\$10,894,218</u> | <u>\$7,924,169</u> | <u>\$109,221,688</u> | <u>\$117,145,857</u> | <u>\$407,001,046</u> | <u>\$697,317,121</u> |

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

Chairman: MA Hae-Shya

CEO: SHU Ching-Shien

Accounting Officer in charge:

TSAI Kuo-Ruey

Sunshine Social Welfare Foundation
Statement of Cash Flow
January 1 to December 31, 2016 & 2015

Unit: New Taiwan Dollar

| | 2016 | 2015 |
|--|-----------------------|-----------------------|
| Cash flow from operation | | |
| Budget surplus | (\$ 92,205,577) | \$ 452,664,290 |
| Depreciation | 22,175,583 | 8,817,198 |
| Diverse amortization | 860,716 | 490,704 |
| Loss from disposal of fixed assets | 29,021 | 52,403 |
| Expenses for project development | 60,000 | - |
| Accrued pension liabilities | 45,370,000 | - |
| Net change in operating assets and liabilities | 6,479 | 2,413 |
| Accounts receivable | | |
| Inventory | 2,279,855 | (5,318,163) |
| Restricted assets | (729,220) | 111,255 |
| Prepaid expenses and other current assets | 40,971,874 | (156,929,240) |
| Accounts payable | 138,698 | (3,188,131) |
| Expenses payable | 894,754 | (101,257) |
| Other current liabilities | 4,089,204 | 19,086,435 |
| Net cash inflow from operations | <u>(13,826,492)</u> | <u>18,688,370</u> |
| Cash flow from investment activities | | |
| Purchase of fixed assets | (5,719,673) | (51,826,187) |
| Other assets | (186,100) | (1,265,714) |
| Refundable deposits | <u>117,620</u> | <u>214,821</u> |
| Net cash outflow from investment activities | <u>(5,788,153)</u> | <u>(52,877,080)</u> |
| Cash flow from financing activities | | |
| Increase (decrease) in guarantee deposits received | (20,000) | (227,803) |
| Cash inflow (outflow) from financing activities | <u>(20,000)</u> | <u>(227,803)</u> |
| Net cash increase | 4,306,742 | 281,271,394 |
| Cash balance – Beginning of year | <u>395,023,866</u> | <u>113,752,472</u> |
| Cash balance – End of year | <u>\$ 399,330,608</u> | <u>\$ 395,023,866</u> |
| Supplemental disclosures of cash flow information | | |
| Income tax paid during the year | <u>\$ 25,090</u> | <u>\$ 12,527</u> |

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| | <u>2016</u> | <u>2015</u> |
|--|---------------------|----------------------|
| Investment activities influencing both cash and non-cash items | | |
| Increase in fixed deposit of funds | \$ - | \$ 4,869,270 |
| Refunds from financial asset capital reductions valued at cost | <u>-</u> | (<u>4,869,270</u>) |
| | <u>\$ -</u> | <u>\$ -</u> |
| Increase in fixed assets | \$ 5,719,673 | \$ 53,725,747 |
| Increase in construction and equipment cost payable | <u>-</u> | (<u>1,899,560</u>) |
| Cash payment for purchase of fixed assets | <u>\$ 5,719,673</u> | <u>\$ 51,826,187</u> |

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

Chairman: MA
Hae-Shya

CEO: SHU
Ching-Shien

Accounting Officer
in charge:

TSAI
Kuo-Ruey

Sunshine Social Welfare Foundation
Notes on Financial Statements
2016 and 2015

Unit: New Taiwan Dollar

1. Purpose and history of the Foundation

The Foundation was established on October 5, 1982 in accordance with foundation related provisions under the *Civil Code* and other related laws. Formerly known as the Sunshine Culture & Education Foundation of the ROC, the name was changed to Sunshine Social Welfare Foundation in 1999 following a second approval from the Ministry of the Interior.

The purpose of the foundation is to provide social welfare services, including psychological and employment counseling, vocational training, legal services, education, nursing, special education, financial aid, medical rehabilitation and social education for people with facial disfigurement, burns and oral cancer. The Foundation respectively established the Chian-He Social Enterprise in December 1992, the Business Department in June 2010, the Songshan Carwash Center in March 2011, the Shih-Min Social Enterprise Gas Station in January 2012, the Donghu Carwash Center in August 2013, as well as the Nangang Carwash Center in December 2013.

As of the end of 2016 and 2015, the number of Foundation employees was 388 and 367 respectively.

2. Funds and sources of income

Foundation total asset value as verified by the court and relevant authority as of July 20, 2011 was NT\$162,276,000.

The Foundation's main sources of income include donations, government subsidies, income from sale of assistive devices, interest generated from funds, income from charity sales and so on.

The foundation's policy in paying all operation-required expenses is to use interest generated from funds and donations received after establishment. Fund registered assets may not be disposed of without a resolution from the Board of Trustees and the authorization from the relevant government supervising authority.

3. Summary of significant accounting policies

Financial statements are prepared in accordance with generally accepted accounting principles and relevant regulations. Significant accounting policies are summarized as follows:

i. Foreign currency transactions

Non-derivative foreign-currency transactions of various foreign currency assets, liabilities, revenues or expenses are recorded in New Taiwan dollars at the rates of exchange in effect when the transactions occur. Exchange differences arising from settlement of foreign-currency assets and liabilities are recognized in profit or loss.

At the balance sheet date, foreign-currency monetary assets and liabilities are revalued using prevailing exchange rates and the exchange differences are recognized in profit or loss.

ii. Accounting estimates

In following the above-mentioned laws and principles in preparing financial statements, the Foundation had to use reasonably estimated amounts for allowance for uncollectible accounts, allowance for loss on inventories, depreciation of fixed assets, income tax, appropriation of pensions and asset impairment. Estimates may differ from actual results.

iii. Standard for distinguishing between current and non-current assets and liabilities

Current assets include cash, assets held primarily for trading purposes or assets which are expected to be realized within one year of the balance sheet date. Fixed assets and other assets that are not current assets are classified under non-current assets. Current liabilities include those incurred mainly for trading purposes and liabilities which must be settled within one year of the balance sheet date. Liabilities not classified as current liabilities are non-current liabilities.

iv. Assessment of impaired accounts receivable

The Foundation assesses accounts receivable for impairment indicators at each balance sheet date. The accounts receivable are deemed impaired when objective evidence shows that their estimated future cash flows have been affected by one or more events occurring after the initial acknowledgement of the accounts receivable. The objective

evidence of impairment loss might include:

1. Obvious financial difficulties of the debtor; or
2. Probable overdue accounts receivable; or
3. Probability that the debtor will close down or start other financial reorganization

The accounts receivable that are determined not to be individually impaired shall also be evaluated for impairment on a collective basis. Objective evidence of impairment loss for a receivables combination may include the past collection experiences of the Foundation, delayed payment conditions of said combination, and observable economic changes related to the late payment of receivables.

Furthermore, the impairment loss amount shall be the difference between the asset's carrying amount and the present value of the estimated future cash flows (the effect of collateral or guarantee has already been reflected), discounted at the financial asset's original effective interest rate. The carrying amount of accounts receivable shall be adjusted through allowance. Once an account receivable is deemed uncollectible, it shall be written off against the allowance account. The subsequent recovery of amounts that had been previously written off shall be credited against the allowance account. The carrying amount changes of an allowance account shall be recognized as bad debt loss.

v. Inventory

Inventories were valued by the weighted average method.

vi. Financial assets valued at cost

Equity investments which cannot be valued at reliably measurable fair value are unlisted (OTC) stocks given as bequests. These assets are listed at their net value on the stock transfer date. Cash dividends paid by invested companies are recognized as income. Funds recovered from capital reduction are used to offset investment cost. When stock dividends are paid, only the increase in the number of shares is listed with no increase in the book value. If there is objective evidence of value reduction, then a loss is recognized and the amount is not further offset.

vii. Fixed assets

Foundation fixed assets are listed at cost at time of acquisition. Listed fixed assets are recognized in the asset funds and as expenditures in facilities and equipment. According to relevant laws, if real estate is registered with the court and the relevant authority as foundation assets, then real estate should be transferred from asset funds to foundation funds. Fixed assets ordinarily are not depreciated; retirement or disposition is listed as offset to fixed assets and asset funds. Starting in 2010, depreciation will be calculated for newly added fixed assets of the foundation.

Fixed assets of gas station, car wash centers and foundation have been added in 2010 to fixed assets and have been valued at cost less accumulated depreciation. Major renovations and improvements are listed as capital expenditures. Repairs and maintenance expenditures are listed as expenses for that year. Fixed assets are depreciated based on the linear method or durability and are fully depreciated in three to twenty years. When fixed assets are disposed, in addition to writing off related costs and accumulated depreciation, the loss or income from disposal is listed for that year.

Should there be a significant loss if the recoverable amount of fixed assets is used to measure their book value, the value reduced is recognized as a loss. If later the recoverable amount of fixed assets increases, then the reduction in loss is recognized as income. However, fixed asset book value after recognition of the loss reduction shall not exceed the book value of the asset before recognition of the loss reduction minus the provision for depreciation.

viii. Revenue recognition

Donations are recognized as revenue when they are paid to the Foundation in cash, equipment or supplies.

Revenue from sales of goods is recognized when the Foundation has transferred to the buyer the significant risks and rewards of ownership of the goods, because the earnings process has been completed and the economic benefits associated with the transaction have been realized or are realizable.

The grant income should not be recognized until it is satisfactory to the conditions of government grant and may receive such grant over the periods when related costs are expected to incur in accordance with SFAS No. 29 "Accounting for Government Grant".

ix. Pension

Pension cost under a defined benefit plan is determined by contributing the equivalent of 6.3% of employee monthly salary in employee individual pension accounts. Pension cost under a defined contribution plan is determined by the period of service of employee, and the funds set aside are recognized as pension cost during the year.

x. Reserve Fund

According to the *Directions for the Review of the Registration and Supervision of Social Welfare Foundations of the Ministry of Health and Welfare*, following approval from the Foundation's Board of Trustees and authorization from the Ministry of Health and Welfare, the Foundation may allocate based on its actual activity needs 20% or less of its income to a Service Development Fund or Service Development Reserve Fund, and the sum shall be listed as an expense for the year. This Service Development Fund or Service Development Reserve Fund shall be deposited in a separate bank account. Funds may not be drawn from this account without prior resolution from the Board of Trustees and authorization from the Ministry of Health and Welfare.

xi. Income Tax

According to Article 2.1.8 of the amended *Standards of Income Tax Exemption for Educational, Cultural, Public Welfare, Charitable Organizations or Groups* promulgated by the Executive Yuan on February 26, 2013, if the expenses of an organization or group for activities related to its founding purpose (including expenses for sale and non-sale of goods or services) are not less than 60% of the sum of the income from activities related to its founding purpose (including income from sale and non-sale of goods or services) plus the income not related to its founding purpose and the income from subsidiaries, then the income of the organization or group and its subsidiaries is exempt from income tax.

4. Cash

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|--|--------------------------|--------------------------|
| Cash on hand and petty cash | \$ 666,013 | \$ 714,813 |
| Checking accounts and demand deposits | 29,143,953 | 25,710,957 |
| Time deposits, annual interest rate of 0.09% - 1.28% in 2016, maturing between January 2017 and June 2018; 0.28% - 1.42% in 2015, maturing between January and December 2016 | <u>369,520,642</u> | <u>368,598,096</u> |
| | <u>\$ 399,330,608</u> | <u>\$ 395,023,866</u> |

5. Accounts receivable

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|------------------------------|--------------------------|--------------------------|
| Government grants receivable | \$ 8,574,324 | \$ 11,337,312 |
| Donations receivable | 2,421,524 | 3,259,334 |
| Accounts receivable | 6,167,836 | 4,366,900 |
| Others | <u>2,262,428</u> | <u>2,742,421</u> |
| | <u>\$ 19,426,112</u> | <u>\$ 21,705,967</u> |

6. Inventory

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|------------------------------|--------------------------|--------------------------|
| Inventory of goods and gifts | <u>\$ 3,393,730</u> | <u>\$ 2,664,510</u> |

7. Financial assets measured at cost - non-current

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|---|--------------------------|--------------------------|
| Domestic non-listed (OTC) common stocks | | |
| CX Venture Capital Co., Ltd. | <u>\$ 1,948,320</u> | <u>\$ 1,948,320</u> |

Due to a lack of active public quotations for evaluation of fair value, the above shares held by the Foundation are measured at cost. CX Venture Capital Co., Ltd. reduced its capital in 2015, returning NT\$4,869,270 in cash. The Foundation recovered cash based on its shareholding percentage subsequently reducing the carrying amount of investment.

The Foundation registered the above-mentioned stocks at time of acquisition under foundation funds, which may not be disposed of without prior resolution from the Board of Trustees and the authorization of the government supervising agency. The company reduced its capital in 2016 and on December 31, 2015, returning NT\$20,442,680, which were recorded as fund time deposits.

8. Restricted assets

i. Restricted assets - Current

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|---|--------------------------|--------------------------|
| Physical and Psychological Rehabilitation Service Fund for Burn Survivors of the August 1 st Kaohsiung Gas Explosion and Southern District | \$ 2,798,881 | \$ 21,201,630 |
| Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion | <u>-</u> | <u>174,361,932</u> |
| | <u>\$ 2,798,881</u> | <u>\$ 195,563,562</u> |

The Foundation set up the “Physical and Psychological Rehabilitation Service Fund for Burn Survivors of the August 1st Kaohsiung Gas Explosion and Southern District,” in accordance with the Charitable Solicitation Approval No. 1031340617 issued by the Ministry of Health and Welfare. The implementation time of this project is from August 1st, 2014 to July 31st, 2017. This project raised donations for a total of NT\$53,407,973. The Foundation recorded the totality of the remaining funds as reserve funds for the period of implementation of the project.

Actual use of funds for the “Physical and Psychological Rehabilitation Service Fund for Burn Survivors of the August 1st Kaohsiung Gas Explosion and Southern District” project was as follows:

| | <u>2016</u> | <u>2015</u> | <u>2014</u> |
|------------------------|-----------------------|-----------------------|-----------------------|
| Initial balance | \$ 21,201,630 | \$ 38,634,322 | \$ 53,407,973 |
| Use of funds | (<u>18,402,749</u>) | (<u>17,432,692</u>) | (<u>14,773,651</u>) |
| Balance at end of year | <u>\$ 2,798,881</u> | <u>\$ 21,201,630</u> | <u>\$ 38,634,322</u> |

ii. Restricted assets – Non-current (December 31, 2015: none)

| | <u>December 31, 2015</u> |
|--|--------------------------|
| Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion | \$ 106,422,807 |
| Service Development Reserve Fund | <u>45,370,000</u> |
| | <u>\$ 151,792,807</u> |

The Foundation set up the “Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion,” in accordance

with the Charitable Solicitation Approval No. 1040119640 issued by the Ministry of Health and Welfare. The implementation time of this project is from June 29, 2015 to June 28, 2020. This project raised donations for a total of NT\$269,024,547. The Foundation recorded the totality of the remaining funds as reserve funds for the period of implementation of the project.

Actual use of funds for the “Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion” project was as follows:

| | 2016 | 2015 (note) |
|------------------------|-----------------------|-----------------------|
| Initial balance | \$ 174,361,932 | \$ 269,024,547 |
| Use of funds | (67,939,125) | (94,662,615) |
| Balance at end of year | <u>\$ 106,422,807</u> | <u>\$ 174,361,932</u> |

Note: Listed as restricted assets – current on December 31, 2015

9. Fixed assets – net value

| | December 31, 2016 | December 31, 2015 |
|--|--------------------|--------------------|
| <u>Foundation</u> | | |
| Cost - Land | \$ 79,502,000 | \$ 79,502,000 |
| Cost - Buildings | 36,739,237 | 34,826,014 |
| Cost - Leasehold Improvements | 33,042,375 | 32,719,810 |
| Cost – Machines and Equipment | 321,195 | 321,195 |
| Cost - Rehabilitation Equipment | 18,805,959 | 18,995,959 |
| Cost – Computer Equipment | 5,100,771 | 4,890,771 |
| Cost - Transportation Equipment | 8,048,636 | 7,893,144 |
| Cost - Other Equipment | <u>15,150,322</u> | <u>14,485,795</u> |
| Total | 196,710,495 | 193,634,688 |
| Accumulated depreciation (note 3) | (30,355,153) | (11,958,943) |
| Pre-payment for equipment | <u>2,226,081</u> | <u>1,530,400</u> |
| Foundation fixed assets net value | <u>168,581,423</u> | <u>183,206,145</u> |
| <u>Chian-He Social Enterprise</u> | | |
| Cost - Leasehold Improvements | 1,235,927 | 1,235,927 |
| Cost - Machinery Equipment | 4,696,677 | 4,696,677 |
| Cost - Computers Equipment | 260,358 | 260,358 |
| Cost - Other Equipment | <u>843,772</u> | <u>910,972</u> |
| Total | 7,036,734 | 7,103,934 |
| Accumulated depreciation (note 3) | (3,522,985) | (2,224,971) |
| Net value of Chian-He Social Enterprise fixed assets | <u>3,513,749</u> | <u>4,878,963</u> |

(continued on the next page)

(continued from the previous page)

| | December 31, 2016 | December 31, 2015 |
|--|-----------------------|-----------------------|
| <u>Business Department</u> | | |
| Cost - Other Equipment | 103,086 | 103,086 |
| Accumulated depreciation (note 3) | (88,068) | (62,292) |
| Pre-payment for equipment | - | 60,000 |
| Net value of Business Department fixed assets | <u>15,018</u> | <u>100,794</u> |
| <u>Songshan Car Wash Center</u> | | |
| Cost - Leasehold Improvements | 1,111,921 | 1,111,921 |
| Accumulated depreciation (note 3) | (957,466) | (772,150) |
| Net value of Songshan Car Wash Center fixed assets | <u>154,455</u> | <u>339,771</u> |
| <u>Shih-Min Social Enterprise Gas Station</u> | | |
| Cost - Leasehold Improvements | 12,040,763 | 11,792,430 |
| Cost - Machinery Equipment | 10,811,970 | 10,811,970 |
| Cost - Computers Equipment | 214,728 | 214,728 |
| Cost - Other Equipment | 104,900 | 104,900 |
| Total | 23,172,361 | 22,924,028 |
| Accumulated depreciation (note 3) | (21,340,654) | (19,607,624) |
| Net value of Gas Station fixed assets | <u>1,831,707</u> | <u>3,316,404</u> |
| <u>Donghu Carwash Center</u> | | |
| Cost - Leasehold Improvements | 642,609 | \$ 642,609 |
| Cost - Other Equipment | 202,000 | 202,000 |
| Total | 844,609 | 844,609 |
| Accumulated depreciation (note 3) | (464,454) | (335,413) |
| Net value of Donghu Carwash Center fixed assets | <u>380,155</u> | <u>509,196</u> |
| <u>Nangang Carwash Center</u> | | |
| Cost - Leasehold Improvements | 841,997 | 841,997 |
| Cost - Other Equipment | 81,905 | 81,905 |
| Total | 923,902 | 923,902 |
| Accumulated depreciation (note 3) | (434,092) | (280,096) |
| Net value of Nangang Carwash Center fixed assets | <u>489,810</u> | <u>643,806</u> |
| Fixed assets – Net value | <u>\$ 174,966,317</u> | <u>\$ 192,995,079</u> |

In 2016 and 2015, expenses related to the depreciation of Foundation fixed assets were NT\$18,591,631 and NT\$7,180,702 respectively. In 2016 and 2015, the total depreciation of subsidiary fixed assets was NT\$3,583,952 and NT\$1,636,496 respectively.

10. Accounts payable

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|---------------------------------------|--------------------------|--------------------------|
| Accrued salaries and bonuses | \$ 33,642,749 | \$23,718,574 |
| Accrued project and activity expenses | 8,664,910 | 3,678,729 |
| Accrued financial aid payments | 1,274,154 | 2,061,651 |
| Accrued miscellaneous purchases | 967,768 | 1,993,088 |
| Other | <u>8,449,499</u> | <u>16,409,908</u> |
| | <u>\$ 52,999,080</u> | <u>\$48,909,876</u> |

11. Pension

The applicable pension system in the *Labor Pension Act* is a defined retirement contribution approach, where the Foundation contributes the equivalent of 6% of employee monthly salary in employee individual pension accounts at the Labor Insurance Bureau. The Foundation's cost of pension in 2016 and 2015 was NT\$8,983,385 and NT\$6,643,027 respectively.

The applicable pension system in the *Labor Standards Act* is a defined retirement benefit scheme. For each employee the pension payment is based on years of service and the average salary six months before the approved retirement date. The Foundation contributed in the pension fund the equivalent of 6.3% of employee total monthly salary from September 2013 onward. Funds are then handed to the labor retirement reserve supervisory committee which deposits them into a designated account at the Bank of Taiwan in the committee's name. The retirement reserve fund in 2016 and 2015 was NT\$1,457,120 and NT\$1,394,415 respectively. The provision for the annual pension cost in 2016 and 2015 was NT\$1,463,599 and NT\$1,396,828 respectively.

12. Income from donations

| | <u>2016</u> | <u>2015</u> |
|---|-----------------------|-----------------------|
| Formosa Fun Coast Water Park Explosion | \$ - | \$ 269,024,547 |
| Income from other recurrent donations | <u>159,949,852</u> | <u>344,147,691</u> |
| | <u>\$ 159,949,852</u> | <u>\$ 613,172,238</u> |

13. Income from grants

| | <u>2016</u> | <u>2015</u> |
|--|----------------------|----------------------|
| Income from government grants | \$ 19,866,074 | \$ 12,577,705 |
| Income from government contracted projects | 16,804,577 | 10,812,491 |
| Income from United Way Taiwan grants | <u>7,356,414</u> | <u>12,931,615</u> |
| | <u>\$ 44,027,065</u> | <u>\$ 36,321,811</u> |

14. Staff, depreciation and amortization expenses

| | <u>2016</u> | | | |
|----------------------------|-----------------------|------------------------|---------------------------|-----------------------|
| | <u>Foundation</u> | <u>Subsidiaries</u> | | <u>Total</u> |
| | | <u>Operating costs</u> | <u>Operating expenses</u> | |
| Staff costs | | | | |
| Salaries | \$ 116,796,558 | \$ 21,743,294 | \$ 35,796,625 | \$ 174,336,477 |
| Labor and health insurance | 13,188,199 | 2,644,830 | 3,356,307 | 19,189,336 |
| Pension | 7,422,425 | 1,516,949 | 1,507,610 | 10,446,984 |
| Meals | 4,865,688 | 488,019 | 595,403 | 5,949,110 |
| Welfare | - | 473,770 | 1,236,574 | 1,710,344 |
| | <u>\$ 142,272,870</u> | <u>\$ 26,866,862</u> | <u>\$ 42,492,519</u> | <u>\$ 211,632,251</u> |
| Depreciation | <u>\$ 18,591,631</u> | <u>\$ 3,583,952</u> | <u>\$ -</u> | <u>\$ 22,175,583</u> |
| Amortization expense | <u>\$ 512,620</u> | <u>\$ -</u> | <u>\$ 348,096</u> | <u>\$ 860,716</u> |

| | <u>2015</u> | | | |
|----------------------------|-----------------------|------------------------|---------------------------|-----------------------|
| | <u>Foundation</u> | <u>Subsidiaries</u> | | <u>Total</u> |
| | | <u>Operating costs</u> | <u>Operating expenses</u> | |
| Staff costs | | | | |
| Salaries | \$ 82,095,017 | \$ 21,532,946 | \$ 33,280,517 | \$ 136,908,480 |
| Labor and health insurance | 9,423,480 | 2,817,145 | 2,720,433 | 14,961,058 |
| Pension | 5,261,763 | 1,675,953 | 1,102,139 | 8,039,855 |
| Meals | 3,326,883 | 664,903 | 390,469 | 4,382,255 |
| Welfare | - | 527,602 | 1,237,792 | 1,765,394 |
| | <u>\$ 100,107,143</u> | <u>\$ 27,218,549</u> | <u>\$ 38,731,350</u> | <u>\$ 166,057,042</u> |
| Depreciation | <u>\$ 7,180,702</u> | <u>\$ 1,636,496</u> | <u>\$ -</u> | <u>\$ 8,817,198</u> |
| Amortization expense | <u>\$ 362,878</u> | <u>\$ -</u> | <u>\$ 127,826</u> | <u>\$ 490,704</u> |

15. Service Development Reserve Fund

Following a resolution from the Foundation's Board of Trustees, 20% or less of the Foundation's income for 2016 was allocated to a Service Development Reserve Fund, which was listed as expenses and reserve fund liability. On December 31, 2016, the expenses and reserve fund payable of the Foundation's Service Development Reserve Fund totaled NT\$45,370,000. The amount of NT\$45,370,000 was recognized from cash to restricted assets – non-current. Please see note 17.

16. Operating profit/loss of subsidiaries

| | 2016 | | 2015 | |
|---|----------------------|----------------|----------------------|------------------|
| | Amount | % | Amount | % |
| <u>Chian-He Social Enterprise</u> | | | | |
| Income | \$ 34,104,148 | 100 | \$ 32,813,610 | 100 |
| Costs | <u>24,971,522</u> | <u>73</u> | <u>26,019,548</u> | <u>79</u> |
| Gross profit | <u>9,132,626</u> | <u>27</u> | <u>6,794,062</u> | <u>21</u> |
| Expenses | | | | |
| Salaries (note 14) | 4,913,974 | 15 | 4,704,878 | 14 |
| Insurance (note 14) | 351,915 | 1 | 227,832 | 1 |
| Pension (note 3, 11 and 14) | 200,481 | 1 | 110,250 | - |
| Meals (note 14) | 137,603 | - | 72,020 | - |
| Post and communication | 181,367 | 1 | 160,144 | 1 |
| Project expenditures | 463,110 | 1 | 2,683 | - |
| Other (attachment 1) | <u>1,336,854</u> | <u>4</u> | <u>1,166,943</u> | <u>4</u> |
| Total operating expenses | <u>7,585,104</u> | <u>23</u> | <u>6,444,750</u> | <u>20</u> |
| Profit (Loss) of Chian-He Social Enterprise | <u>1,547,322</u> | <u>4</u> | <u>349,312</u> | <u>1</u> |
| <u>Business Department</u> | | | | |
| Income | 1,761,854 | 100 | 221,384 | 100 |
| Costs | <u>606,830</u> | <u>34</u> | <u>58,765</u> | <u>27</u> |
| Gross profit | <u>1,155,024</u> | <u>66</u> | <u>162,619</u> | <u>73</u> |
| Expenses | | | | |
| Salaries (note 14) | 174,910 | 10 | \$ 138,248 | 62 |
| Insurance (note 14) | 17,758 | 1 | 15,244 | 7 |
| Pension (note 3, 11 and 14) | 13,092 | 1 | 11,328 | 5 |
| Meals (note 14) | 5,980 | - | 4,407 | 2 |
| Amortization expenses (note 14) | 194,244 | 11 | 102,184 | 46 |
| Social enterprise | 2,828,167 | 161 | 3,860,695 | 1,743 |
| Other (attachment 1) | <u>271,220</u> | <u>15</u> | <u>143,423</u> | <u>66</u> |
| Total operating expenses | <u>3,505,371</u> | <u>199</u> | <u>4,275,529</u> | <u>1,931</u> |
| Loss of Business Department | (<u>2,350,347</u>) | (<u>133</u>) | (<u>4,112,910</u>) | (<u>1,858</u>) |

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| | 2016 | | 2015 | |
|---|----------------------|---------------|----------------------|---------------|
| | Amount | % | Amount | % |
| <u>Songshan Car Wash Center</u> | | | | |
| Income | 2,801,062 | 100 | 3,111,103 | 100 |
| Costs | <u>4,028,656</u> | <u>143</u> | <u>3,681,474</u> | <u>118</u> |
| Gross loss | (1,227,594) | (43) | (570,371) | (18) |
| Expenses (attachment 1) | <u>75,511</u> | <u>3</u> | <u>77,662</u> | <u>3</u> |
| Loss of Songshan Car Wash Center | (<u>1,303,105</u>) | (<u>46</u>) | (<u>648,033</u>) | (<u>21</u>) |
| <u>Donghu Car Wash Center</u> | | | | |
| Income | 2,270,654 | 100 | 2,409,315 | 100 |
| Costs | <u>2,870,065</u> | <u>126</u> | <u>3,088,532</u> | <u>128</u> |
| Gross loss | (599,411) | (26) | (679,217) | (28) |
| Expenses (attachment 1) | <u>52,181</u> | <u>2</u> | <u>69,465</u> | <u>3</u> |
| Loss of Donghu Car Wash Center | (<u>651,592</u>) | (<u>28</u>) | (<u>748,682</u>) | (<u>31</u>) |
| <u>Nangang Car Wash Center</u> | | | | |
| Income | 2,614,273 | 100 | 2,164,904 | 100 |
| Costs | <u>3,315,667</u> | <u>127</u> | <u>3,186,692</u> | <u>148</u> |
| Gross loss | (701,394) | (27) | (1,021,788) | (48) |
| Expenses (attachment 1) | <u>50,425</u> | <u>2</u> | <u>52,778</u> | <u>2</u> |
| Loss of Nangang Car Wash Center | (<u>751,819</u>) | (<u>29</u>) | (<u>1,074,566</u>) | (<u>50</u>) |
| <u>Shih-Min Social Enterprise Gas Station</u> | | | | |
| Income | 384,076,048 | 100 | 389,672,758 | 100 |
| Costs | <u>316,717,951</u> | <u>82</u> | <u>331,240,908</u> | <u>85</u> |
| Gross profit | <u>67,358,097</u> | <u>18</u> | <u>58,431,850</u> | <u>15</u> |
| Expenses | | | | |
| Salaries (note 14) | 30,071,541 | 8 | 28,437,391 | 7 |
| Advertisement | 8,286,253 | 2 | 5,326,967 | 2 |
| Post and communication | 2,446,757 | 1 | 2,442,300 | 1 |
| Insurance (note 14) | 2,986,635 | 1 | 2,477,357 | 1 |
| Meals (note 14) | 451,820 | - | 314,042 | - |
| Water, electricity, gas | 1,005,397 | - | 932,313 | - |
| Maintenance | 1,101,919 | - | 521,023 | - |
| Amortization expense (note 14) | 153,852 | - | 25,642 | - |
| Project expenses | 5,259,639 | 2 | 4,643,106 | 1 |
| Pension (note 3, 11 and 14) | 1,294,036 | - | 980,561 | - |
| Other (attachment 1) | <u>3,780,972</u> | <u>1</u> | <u>3,716,562</u> | <u>1</u> |
| Total expenses | <u>56,838,821</u> | <u>15</u> | <u>49,817,264</u> | <u>13</u> |
| Profit of Gas Station | <u>10,519,276</u> | <u>3</u> | <u>8,614,586</u> | <u>2</u> |
| Net profit (loss) from subsidiaries | <u>\$ 7,009,735</u> | | <u>\$ 2,379,707</u> | |

17. Income Tax

The Foundation belongs to the category of “organizations or institutions, which are established for educational, cultural, public welfare or charitable purposes” as outlined in Article 4 of the *Income Tax Act*. Because in 2015, the Foundation set up the “Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion,” which received a high amount of donations, the expenditure used for the purpose of the initial project was less than 60% of annual interest income and other income in 2015. However, the Foundation plans to have the balance amount used for the programs in initial foundation related activities within four years and will submit the plans to competent authority for approval.

In addition, according to the *Directions for the Review of the Registration and Supervision of Social Welfare Foundations of the Ministry of Health and Welfare*, following approval from the Foundation’s Board of Trustees and authorization from the Ministry of Health and Welfare, the Foundation may allocate based on its actual activity needs 20% or less of its income to a Service Development Fund or Service Development Reserve Fund, and the sum shall be listed as an expense for the year. Please see note 15.

Income tax was approved by the tax authority up to 2014.

18. Reserve funds

i. Foundation funds

The total amount of foundation funds approved by the court and the government supervising agency is NT\$162,276,000. The list of foundation funds is as follows:

| | <u>December 31, 2016</u> | <u>December 31, 2015</u> |
|---------------|--------------------------|--------------------------|
| Real estate | \$109,885,000 | \$109,885,000 |
| Time deposits | 51,549,380 | 45,573,410 |
| Shares | <u>841,620</u> | <u>6,817,590</u> |
| | <u>\$162,276,000</u> | <u>\$162,276,000</u> |

ii. Asset funds

Before 2010, Foundation fixed assets were listed at cost at time of acquisition. Listed fixed assets are recognized in the asset funds and as expenditures in facilities and equipment. Retirement or disposition was listed as offset to fixed assets and asset funds. At the end of 2016 and December 31, 2015, the amount of asset funds was NT\$10,894,218 and NT\$11,414,649 respectively.

iii. Reserves

| | December 31, 2016 | December 31, 2015 |
|---------------------------------|-----------------------|-----------------------|
| Business Incubator Reserve Fund | \$ 7,924,169 | \$ 9,806,091 |
| Service Reserve Fund | <u>109,221,688</u> | <u>195,563,562</u> |
| Total | <u>\$ 117,145,857</u> | <u>\$ 205,369,653</u> |

The Foundation signed an agreement with Taipei City Government on December 27, 2005 for the operation of the Sunshine Gas Station. Based on operation plan as outlined in the agreement, the Foundation must place surpluses from the Sunshine Gas Station in the Business Incubator Reserve Fund. This Business Incubator Reserve Fund will provide funds for the future establishment of sheltered workshops, the development of employment services, as well as the planning of staff employment. Actual use of funds from the Business Incubator Reserve Fund in 2016 and 2015 is as follows:

| | 2016 | 2015 |
|-----------------------------------|---------------------|---------------------|
| New social enterprise development | <u>\$ 1,881,922</u> | <u>\$ 2,326,943</u> |

The Service Reserve Fund is related to the implementation in 2014 and 2015 by the Foundation of “Physical and Psychological Rehabilitation Service Fund for Burn Survivors of the August 1st Kaohsiung Gas Explosion and Southern District” and “Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion” respectively. Please refer to note 8.

19. Major commitments

- i. The Foundation renewed its agreement with the Taipei City Foreign and Disabled Labor Office in December 2014 for the operation of the Shih-Min Social Enterprise Gas Station. Contract period is from January 1, 2015 to December 31, 2017.
- ii. The Foundation renewed its lease for the Chian-He Social Enterprise with the Taipei City Foreign and Disabled Labor Office in December 2014. The lease started on December 1, 2014 and will end on November 30, 2019.
- iii. Through an agreement signed with the New Taipei City Social Welfare Department in March 2016, the Foundation was entrusted with operating the Family Resource Center for People with Disabilities. Contract period is from April 1, 2016 to December 31, 2017.

- iv. The Foundation transferred through an agreement the operation rights of Donghu Carwash Center to Wong Yang International Ltd. Transfer of rights was completed in February 2017, the sum of the contract was NT\$350,000.
- v. The Foundation signed with Hsuan-Li Car Care Workshop a franchise contract for the Songshan Carwash Center in January 2017. The franchise fee was NT\$150,000, the contract period is from January 1, 2017 to December 31, 2019.

COPY

**Sunshine Social Welfare Foundation
Breakdown of Other Expenses for 2016 and 2015**

Attachment 1

| | Foundation | | Chian-He Social Enterprise | | Business Department | | Songsan Carwash Center | | Shih-Min Social Enterprise Gas Station | | Donghu Carwash Center | | Nangang Carwash Center | | Total | |
|--------------------------------------|---------------------|----------------------|----------------------------|---------------------|---------------------|-------------------|------------------------|------------------|--|---------------------|-----------------------|------------------|------------------------|------------------|----------------------|----------------------|
| | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 | 2016 | 2015 |
| Stationery | \$ - | \$ - | \$ 33,139 | \$ 25,033 | \$ 20,095 | \$ 4,904 | \$ 9,602 | \$ 1,949 | \$ 40,057 | \$ 54,557 | \$ 4,542 | \$ 5,584 | \$ 2,961 | \$ 2,340 | \$ 110,396 | \$ 94,367 |
| Post and communication | - | - | - | - | 31,023 | 22,879 | 61,613 | 71,465 | - | - | 47,639 | 63,881 | 47,464 | 48,713 | 187,739 | 206,938 |
| Transportation | 228,357 | 241,316 | 9,998 | 16,547 | 5,261 | 10,393 | 696 | 648 | 21,223 | 9,916 | - | - | - | - | 265,535 | 278,820 |
| PR expenses | 229,523 | 218,592 | - | - | 78,678 | 43,455 | - | - | 20,276 | 4,169 | - | - | - | - | 328,477 | 266,216 |
| Newspapers and magazines | 115,421 | 113,414 | 13,180 | 24,060 | 4,460 | 712 | 3,600 | 3,600 | - | - | - | - | - | - | 136,661 | 141,786 |
| Training | - | - | 1,211,830 | 1,047,926 | - | 561 | - | - | 86,770 | 269,799 | - | - | - | - | 1,298,600 | 1,318,286 |
| Taxes | 217,064 | 120,089 | - | - | - | - | - | - | - | - | - | - | - | - | 217,064 | 120,089 |
| Contributions to Department of Labor | 404,722 | 368,344 | - | - | - | - | - | - | - | - | - | - | - | - | 404,722 | 368,344 |
| Shipping costs | 104,792 | 80,160 | - | - | - | - | - | - | - | - | - | - | - | - | 104,792 | 80,160 |
| Miscellaneous purchases | 1,590,231 | 7,023,013 | - | - | 64,915 | 1,300 | - | - | 807,930 | 516,354 | - | - | - | - | 2,463,076 | 7,540,667 |
| Rentals | - | - | 25,140 | 28,572 | - | - | - | - | 99,999 | 28,572 | - | - | - | - | 125,139 | 57,144 |
| Employee benefits (note14) | - | - | 32,000 | 23,355 | - | - | - | - | 1,204,574 | 1,214,437 | - | - | - | - | 1,236,574 | 1,237,792 |
| Others | 4,443,702 | 3,549,639 | 11,567 | 1,450 | 66,788 | 59,219 | - | - | 1,500,143 | 1,618,758 | - | - | - | 1,725 | 6,022,200 | 5,230,791 |
| | <u>\$ 7,333,812</u> | <u>\$ 11,714,567</u> | <u>\$ 1,336,854</u> | <u>\$ 1,166,943</u> | <u>\$ 271,220</u> | <u>\$ 143,423</u> | <u>\$ 75,511</u> | <u>\$ 77,662</u> | <u>\$ 3,780,972</u> | <u>\$ 3,716,562</u> | <u>\$ 52,181</u> | <u>\$ 69,465</u> | <u>\$ 50,425</u> | <u>\$ 52,778</u> | <u>\$ 12,900,975</u> | <u>\$ 16,941,400</u> |