SUNSHINE SOCIAL WELFARE FOUNDATION

FINANCIAL STATEMENTS

WITH REPORT OF INDEPENDENT AUDITORS

31 DECEMBER 2018 AND 2017

Address: 3F., No.91, Sec. 3, Nanjing E. Rd., Taipei City, Taiwan

Telephone: 886-2-2507-8006

The reader is advised that these financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Audit Report of Independent Auditors

Independent Auditors' Report Translated from Chinese

To Sunshine Social Welfare Foundation

Opinion

We have audited the accompanying balance sheets of Sunshine Social Welfare Foundation (the "Foundation") as of 31 December 2018 and 2017, and the related statement of income and expense, changes in fund and cash flows for the years ended 31 December 2018 and 2017, and notes to the financial statements, including the summary of significant accounting policies (together "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the balance of assets, liabilities and funds of the Foundation as of 31 December 2018 and 2017, and its income and expense and cash flows for the years ended 31 December 2018 and 2017, in conformity with the requirements of the National Social Welfare Foundation Accounting and Financial Statement Preparation Standards, Generally Accepted Accounting Principles 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Foundation in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of National Social Welfare Foundation Accounting and Financial Statement Preparation Standards, Generally Accepted Accounting Principles 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 ability to continue as a going concern of the Foundation, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation 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 auditing standards generally accepted in 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 auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Foundation.

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 the ability to continue as a going concern of the Foundation. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the accompanying notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Fuh, Wen Fun
Ernst & Young, Taiwan
23 March 2019

Notice to Readers

The accompanying financial statements are intended only to present the financial position, results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Sunshine Social Welfare Foundation

Balance Sheets

31 December 2018 and 2017

Unit: New Taiwan Dollar

	Notes	31 December 2018		31 December 2017			Notes	31 December 2018		31 December 2017	
Assets		Amount	%	Amount	%	**Liabilities**		Amount	%	Amount	%
Current assets						Current liabilities					
Cash and cash equivalents	4 , 6.(1) & 11	$297,261,728	48	$369,180,537	52	Accounts payable	4 & 11	$1,869,258	-	$1,954,368	-
Accounts receivable	4 , 6.(2) & 11	16,444,198	3	15,570,554	2	Other payables	6.(7) & 11	60,137,866	10	68,293,698	10
Inventories	4 & 6.(3)	3,042,501	-	3,096,578	-	Other current liabilities		9,228,474	2	8,891,185	1
Other current assets		4,828,492	1	9,881,272	1	Total current liabilities		71,235,598	12	79,139,251	11
Total current assets		321,576,919	52	397,728,941	55	Non-current liabilities					
						Provisions - non-current	4 & 6.(4)	20,370,000	3	45,370,000	6
Non-current assets						Other non-current liabilities	11	336,640	-	10,000	-
Funds	4 , 6.(4) & 11	90,044,303	15	144,257,331	20	Total non-current liabilities		20,706,640	3	45,380,000	6
Financial assets at cost - non-current	4 , 6.(5) & 11	1,948,320	-	1,948,320	-	Total liabilities		91,942,238	15	124,519,251	17
Property, plant and equipment	4 & 6.(6)	194,218,847	31	161,852,308	23						
Other non-current assets	11	10,549,887	2	11,383,415	2	**Net value**					
Total non-current assets		296,761,357	48	319,441,374	45	Permanently restricted net value	4 & 6.(9)	187,276,000	30	162,276,000	23
						Temporarily restricted net value	4 & 6.(9)	19,231,623	3	48,444,651	7
						Unrestricted net value	4 & 6.(9)	311,103,308	50	372,132,606	52
						Other net value	4 & 6.(9)	8,785,107	2	9,797,807	1
						Total net value		526,396,038	85	592,651,064	83
Total assets		$618,338,276	100	$717,170,315	100	Total liabilities and net value		$618,338,276	100	$717,170,315	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Sunshine Social Welfare Foundation
Statement of Income and Expenses
For The Years Ended 31 December 2018 and 2017

Unit: New Taiwan Dollar

	Notes	2018 Amount	2018 %	2017 Amount	2017 %
Revenue and incomes					
Service revenue	4 & 6.(10)	$9,941,004	2	$6,635,262	1
Subsidy revenue from government	4 & 6.(11)	5,857,147	1	15,703,674	3
Government project revenue	4	19,113,044	3	26,214,256	4
Donations revenue	4	120,347,756	18	128,852,136	21
Interest income	4	1,699,463	-	3,012,492	1
Dividend revenue		1,475,600	-	-	-
Operating revenue from subsidiaries	6.(14)	492,432,476	76	436,430,902	70
Other revenue	4 & 6.(12)	2,232,613	-	2,575,297	-
Total revenue and incomes		653,099,103	100	619,424,019	100
Expense and losses					
Fundraising and development expenses	6.(13)	224,977,781	35	266,815,935	43
General and administrative expense s	6.(13)	26,042,748	4	23,656,914	4
Operating expenses from subsidiaries	6.(14)	492,320,900	75	432,520,816	70
Total expenses and losses		743,341,429	114	722,993,665	117
Deficit		(90,242,326)	(14)	(103,569,646)	(17)
Income tax expense	4 & 6.(15)	-	-	-	-
Deficit after tax		(90,242,326)	(14)	(103,569,646)	(17)
Other comprehensive deficit		-	-	-	-
Total comprehensive deficit		$(90,242,326)	(14)	$(103,569,646)	(17)

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Sunshine Social Welfare Foundation

Statement of Changes in Net Value

For The Years Ended 31 December 2018 and 2017

Unit: New Taiwan Dollar

	Restricted net value		Unrestricted net value			
Items	Permanent	Temporary	Designated funds	Deficit	Other net value	Total
Balance as of 1 January 2017	$162,276,000	$109,221,688	$7,924,169	$407,001,046	$10,894,218	$697,317,121
Deficit in 2017	-	-	-	(103,569,646)	-	(103,569,646)
Transfer between restricted net value and unrestricted net value						
Service reserve provision	-	(60,777,037)	-	60,777,037	-	-
Transfer between designated net value and deficit						
Business incubator reserve provision	-	-	(7,924,169)	7,924,169	-	-
Increase or decrease of other net value	-	-	-	-	(1,096,411)	(1,096,411)
Balance as of 31 December 2017	$162,276,000	$48,444,651	$-	$372,132,606	$9,797,807	$592,651,064
Balance as of 1 January 2018	$162,276,000	$48,444,651	$-	$372,132,606	$9,797,807	$592,651,064
Deficit in 2018	-	-	-	(90,242,326)	-	(90,242,326)
Appropriation to restricted net value	25,000,000	-	-	-	-	25,000,000
Transfer between restricted net value and unrestricted net value						
Service reserve provision	-	(29,213,028)	-	29,213,028	-	-
Increase or decrease of other net value	-	-	-	-	(1,012,700)	(1,012,700)
Balance as of 31 December 2018	$187,276,000	$19,231,623	$-	$311,103,308	$8,785,107	$526,396,038

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

Sunshine Social Welfare Foundation
Statement of Cash Flow
For The Years Ended 31 December 2018 and 2017

Unit: New Taiwan Dollar

	2018	2017
Cash flows from operation		
Deficit before tax	$(90,242,326)	$(103,569,646)
Adjustments:		
Depreciation expenses	18,264,576	20,903,553
Amortization expenses	1,507,634	1,311,723
Interest income	(2,410,634)	(3,625,240)
Dividend revenue	(1,475,600)	-
Losses on disposal of property, plant and equipment	730,319	1,018,124
Total adjustments to reconcile deficit	(73,626,031)	(83,961,486)
Change in current assets and liabilities		
(Increase) Decrease in accounts receivable	(2,049,901)	3,435,667
Decrease in inventories	54,077	297,152
Decrease (Increase) in other current assets	2,552,780	(5,448,321)
Decrease in accounts payable	(85,110)	(1,409,011)
(Decrease) Increase in other payables	(8,155,832)	15,168,883
Increase (Decrease) in other current liabilities	337,289	(8,317,474)
Total changes in operating current assets and liabilities	(7,346,697)	3,726,896
Cash generated from operating activities	(80,972,728)	(19,457,553)
Interest received	3,586,891	4,045,131
Dividend received	1,475,600	-
Net cash outflow from operations	(75,910,237)	(15,412,422)
Cash flows from investment activities		
Purchase of property, plant and equipment	(55,839,592)	(12,343,146)
Proceeds from disposal of property, plant and equipment	-	114,286
Inecrease in guarantee deposits paid	(674,106)	(2,484,680)
Decrease in funds	54,213,028	60,777,037
Decrese (Increase) in other non-current assets	5,965,458	(24,109)
Net cash outflow from investment activities	3,664,788	46,039,388
Cash flows from financing activities		
Increase (Decrease) in other non-current liabilities	326,640	-
Net cash inflow (outflow) from financing activities	326,640	-
Net decrease in cash and cash equivalents	(71,918,809)	(30,150,071)
Cash and cash equivalents at beginning of year	369,180,537	399,330,608
Cash and cash equivalents at end of year	$297,261,728	$369,180,537

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

1. History and organization

Sunshine Social Welfare 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 registration and main operation address is 3F., No.91, Sec. 3, Nanjing E. Rd., Taipei City.

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, the Nangang Carwash Center in December 2013, as well as the Sunvise Center in March 2018.

2. Date and procedures of authorization of financial statements for issue

The financial statements of the Foundation for the years ended 31 December 2018 and 2017 were authorized for issue by the Board of Trustees on 23 March 2019.

3. Changes in significant accounting policies

None.

4. Summary of significant accounting policies

(1) Statement of compliance

The financial statements of the Foundation for the years ended 31 December 2018 and 2017 have been prepared in accordance with the National Social Welfare Foundation Accounting and Financial Statement Preparation Standards, Generally Accepted Accounting Principles and related interpretations.

(2) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial statements are expressed in New Taiwan Dollars ("$") unless otherwise stated.

(3) Current and non-current distinction

An asset is classified as current when:

(a) The Foundation expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
(b) The Foundation holds the asset primarily for the purpose of trading
(c) The Foundation expects to realize the asset within twelve months after the reporting period
(d) The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

(a) The Foundation expects to settle the liability in its normal operating cycle
(b) The Foundation holds the liability primarily for the purpose of trading
(c) The liability is due to be settled within twelve months after the reporting period
(d) The Foundation does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(4) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and 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.

(5) Foreign currency transactions

The Foundation's financial statements are presented in New Taiwan Dollars, which is also the Foundation's functional currency.

Transactions in foreign currencies are initially recorded by the entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions

(6) Financial instruments

Financial assets are recognized when the Foundation becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of National Social Welfare Foundation Accounting and Financial Statement Preparation Standards are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

(a) Financial assets

The Foundation accounts for regular way purchase or sales of debt instrument on the settlement date when equity instrument on the trade date.

Financial assets of the Foundation are classified as loans and receivables and available-for-sale financial assets. The Foundation determines the classification of its financial assets at initial recognition.

<u>Loans and receivables</u>

Loans and receivables are non-derivative financial assets with fixed or determinable payments.

Loans and receivables are separately presented on the balance sheet as receivables or debt instrument investments for which no active market exists. After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs. The effective interest method amortization is recognized in profit or loss.

<u>Available-for-sale financial assets</u>

Available-for-sale investments are non-derivative financial assets that are designated as available-for-sale.

If equity instrument investments do not have quoted prices in an active market and their fair value cannot be reliably measured, then they are classified as financial assets measured at cost on balance sheet and carried at cost net of accumulated impairment losses, if any, as at the reporting date.

Impairment of financial assets

The Foundation assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more loss events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset. The carrying amount of the financial asset impaired, other than receivables impaired which are reduced through the use of an allowance account, is reduced directly and the amount of the loss is recognized in profit or loss.

Loss events include:

i. significant financial difficulty of the issuer or obligor; or
ii. a breach of contract, such as a default or delinquency in interest or principal payments; or
iii. it becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
iv. the disappearance of an active market for that financial asset because of financial difficulties; or
v. a significant or prolonged decline in the fair value of an available-for-sale equity instrument below its cost.

For held-to-maturity financial assets measured at amortized cost, the Foundation first assesses individually whether objective evidence of impairment exists individually for financial asset that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exits for an individually assessed financial asset, whether significant or not, it includes the asset in a Company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows. The present value of the estimated future cash flows is discounted at the financial assets original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. Interest income is accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Receivables together with the associated allowance are written off when there is no realistic prospect of future recovery. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to profit or loss.

In the case of debt instruments classified as available-for-sale, the amount recorded for impairment is the cumulative loss measured as the difference between the amortized cost and the current fair value, less any impairment loss on that investment previously recognized in profit or loss. Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recognized in profit or loss. If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through profit or loss.

<u>Derecognition of financial assets</u>

A financial asset is derecognized when:

i. The rights to receive cash flows from the asset have expired
ii. The Foundation has transferred the asset and substantially all the risks and rewards of the asset have been transferred
iii. The Foundation has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset. In other words, the transferee can sell the transferred asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without imposing additional restrictions on the transfer. Under these circumstances, the financial asset is derecognized, any rights or obligations created or retained as a result of the transfer are recognized separately as assets or liabilities.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

(b) Financial liabilities

Financial liabilities are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(7) Inventories

Inventories were valued by the weighted average method.

(8) Property, plant and equipment

Property, plant and equipment are recognized at cost at time of acquisition. Property, plant and equipment 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 disposal is treated as offset to fixed assets and asset funds. Starting from 2010, depreciation will be applied for newly acquired property, plant and equipment.

Property, plant and equipment acquired by gas station, car wash centers and the Foundation from 2010 are recognized at acquisition cost, and then measured and stated net of accumulated depreciation and accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress. Subsequent cost of property, plant and equipment comprises additions and replacement of parts of property, plant and equipment. When significant parts of property, plant and equipment are required to be replaced in intervals, the Foundation recognized such parts as individual assets with specific economic lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of National Social Welfare Foundation Accounting and Financial Statement Preparation Standards. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Building improvement	3～20 years
Machinery and equipment	3～5 years
Rehabilitation equipment	3～5 years
Computer equipment	3～5 years
Transportation equipment	3～5 years
Other equipment	3～8 years
Leasehold improvements	The shorter of lease terms or economic lives
Kitchen equipment	7 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

(9) Leases

The Foundation as a lessee

Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

(10) Impairment of non-financial assets

The Foundation assesses at the end of each reporting period whether there is any indication that an asset in the scope of National Social Welfare Foundation Accounting and Financial Statement Preparation Standards may be impaired. If any such indication exists, the Foundation estimates the asset's or its cash-generating unit's ("CGU") recoverable amount. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use.

(11) Provision

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 appropriate 20% or less of its income to Service Development Fund or Service Development Provision based on its actual activity requirements, and shall recognize relevant expenses for the year of appropriation. This Service Development Fund or Service Development Provision 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.

(12) Net Value

Permanently restricted net value approved by the relevant authority as of 17 January 2019 was $187,276,000.

The Foundation's policy for reimbursement of operation-required expenses is to use interests generated from net value and donations received after establishment. Permanently restricted net value shall not be disposed of without a resolution from the Board of Trustees and the authorization from the relevant authority.

(13) Revenue recognition

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

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

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

For loans and receivables, interest income is recorded using the effective interest rate method and recognized in profit or loss.

(14) Post-employment benefits

The Foundation's payment for employees post-employment benefits are based on the contributions required by law and recognized as expenses in the period the employees render services.

(15) Income taxes

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

5. <u>Significant accounting judgements, estimates and assumptions</u>

The preparation of the Foundation's financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The management of the Foundation keeps monitoring the estimates and assumptions, and recognizes the adjustment in the changing period and the affected future period.

6. Contents of significant accounts

(1) Cash and cash equivalents

	31 Dec. 2018	31 Dec. 2017
Cash on hand and petty cash	$630,213	$579,813
Checking accounts and demand deposits	13,157,508	44,296,665
Time deposits	283,474,007	324,304,059
Total	$297,261,728	$369,180,537

The annual interest rate in 2018 and 2017 for time deposits is 0.09% - 1.09% and 0.08% - 1.25%, respectively.

(2) Accounts receivable

	31 Dec. 2018	31 Dec. 2017
Government grants receivable	$6,963,167	$6,331,447
Donations receivable	3,290,415	3,288,277
Accounts receivable	4,197,674	3,784,337
Notes receivable	240,640	-
Others	1,752,302	2,166,493
Total	$16,444,198	$15,570,554

(3) Inventories

	31 Dec. 2018	31 Dec. 2017
Inventories	$3,042,501	$3,096,578

(4) Funds

	31 Dec. 2018	31 Dec. 2017
Time deposits		
Establishment fund	$30,000,000	$30,000,000
Refunds from capital reduction of stock	20,442,680	20,442,680
Subtotal	50,442,680	50,442,680
Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion	19,231,623	48,444,651
Service Development Provision	20,370,000	45,370,000
Total	$90,044,303	$144,257,331

(a) The Foundation registered foundation funds based on the above-mentioned establishment fund and refunds from capital reduction of stock upon acquiring, which are deposited in banks as time deposits and shall not be disposed of without prior resolution from the Board of Trustees and the authorization of the authority.

(b) The Foundation set up the "Physical and Psychological Rehabilitation Service Reserve Provision 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 of this project is from 29 June 2015 to 28 June 2020. The Foundation raised donations amounting to $269,024,547 in total through the project and reserved full provision for the purpose of implementation of the project.

Movements for the "Physical and Psychological Rehabilitation Service Reserve Provision for the Survivors of the Formosa Fun Coast Water Park Explosion" project were as follows:

	2018	2017	2016	2015
Initial balance	$48,444,651	$106,422,807	$174,361,932	$269,024,547
Use of provision	(29,523,792)	(57,978,156)	(67,939,125)	(94,662,615)
Balance at end of year	$19,231,623	$48,444,651	$106,422,807	$174,361,932

(c) 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 appropriate 20% or less of its income to Service Development Fund or Service Development Reserve Fund based on its actual activity requirements, and shall recognize relevant expenses for the year of appropriation. 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. The Foundation reserved full provision for the purpose of implementation of the project.

According to the resolution of the Board of Trustees, the Foundation appropriated 20% or less of its income to Service Development Provision and recognized as expenses and service development provision amounting to $45,370,000 for the year of appropriation (2016). Therefore the Foundation reclassified $45,370,000 from cash and cash equivalents to restricted assets - non-current based on the above reason.

Movements of provision for Service Development Provision were as follows:

	2018	2017
Initial balance	$45,370,000	$45,370,000
Increase of provision	-	-
Use of provision	(25,000,000)	-
Balance at end of year	$20,370,000	$45,370,000

Please refer to Note 6. (9) for the explanation of movements of provision for Service Development Provision.

(5) Financial assets measured at cost - Non-current

	31 Dec. 2018	31 Dec. 2017
Domestic non-listed company		
CX Venture Capital Co., Ltd.	$1,948,320	$1,948,320

The Foundation registered foundation fund upon acquiring the above-mentioned stocks, which may not be disposed of without prior resolution from the Board of Trustees and the authorization of the authority. As at 31 December 2018 and 2017, the Foundation recorded the above investment as non-current investments in debt instrument without active market amounting to $20,442,680 due to refunds from capital reduction of CX Venture Capital Co.

(6) Property, plant and equipment

	31 Dec. 2018	31 Dec. 2017
Foundation		
Cost - Land	$96,008,000	$79,502,000
Cost - Buildings	38,877,000	30,383,000
Cost - Building improvements	12,135,177	5,333,672
Cost - Leasehold improvements	29,924,797	33,134,625
Cost - Machines and equipment	407,295	321,195
Cost - Rehabilitation equipment	18,431,962	20,974,312
Cost - Computer equipment	2,758,106	5,100,771
Cost – Transportation equipment	7,042,442	7,563,941
Cost - Other equipment	11,966,445	13,564,992
Subtotal	217,551,204	195,878,508
Accumulated depreciation	(49,008,968)	(44,257,786)
Pre-payment for equipment	5,092,000	1,725,000
Total	173,634,236	153,345,722

	31 Dec. 2018	31 Dec. 2017
Chian-He Social Enterprise		
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	843,772	843,772
Subtotal	7,036,734	7,036,734
Accumulated depreciation	(5,925,810)	(4,733,255)
Total	1,110,924	2,303,479
Business Department		
Cost - Other equipment	104,762	104,762
Accumulated depreciation	(27,434)	(12,470)
Pre-payment for equipment	-	5,620,342
Total	77,328	5,712,634
Sunvis Center		
Cost - Leasehold improvements	5,908,313	-
Cost - Rehabilitation equipment	564,500	-
Cost - Kitchen equipment	352,571	-
Cost - Other equipment	5,480,897	-
Subtotal	12,306,281	-
Accumulated depreciation	(2,005,401)	-
Total	10,300,880	-
Shih-Min Social Enterprise Gas Station		
Cost - Leasehold improvements	14,450,286	12,040,763
Cost - Machinery equipment	14,038,160	10,811,970
Cost - Computers equipment	214,728	214,728
Cost - Other equipment	3,883,941	104,900
Subtotal	32,587,115	23,172,361
Accumulated depreciation	(23,491,636)	(23,172,361)
Total	9,095,479	-
Nangang Carwash Center		
Cost - Leasehold improvements	-	516,288
Subtotal	-	516,288
Accumulated depreciation	-	(25,815)
Total	-	490,473
Property, plant and equipment - net value	$194,218,847	$161,852,308

The foundation recorded depreciation expenses for property, plant and equipment amounting to $15,029,994 and $17,723,159, respectively in 2018 and 2017. The subsidiaries of the Foundation recorded depreciation expenses for property, plant and equipment amounting to $3,234,582 and $3,180,394, respectively in 2018 and 2017.

(7) Other payables

	31 Dec. 2018	31 Dec. 2017
Accrued salaries and bonuses	$36,050,814	$32,983,825
Accrued project and activity expenses	13,315,816	17,676,155
Accrued financial aid payments	1,118,221	2,730,426
Accrued miscellaneous expenses	744,603	6,311,917
Others	8,908,412	8,591,375
Total	$60,137,866	$68,293,698

(8) 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 was $9,834,665 and $9,595,446, respectively, in 2018 and 2017.

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 pension reserve contributed was $1,600,806 and $1,522,023, respectively, in 2018 and 2017. The pension expense recognized in 2018 and 2017 was $1,595,639 and $1,526,963, respectively.

(9) Net value

(a) Permanently restricted net value

The list of foundation funds was as follows:

	31 Dec. 2018	31 Dec. 2017
Property	$134,885,000	$109,885,000
Time deposits	50,442,680	50,442,680
Financial assets measured at cost	1,948,320	1,948,320
Total	$187,276,000	$162,276,000

The Foundation acquired real estate amounting to $25,000,000 for operation and applied for registration of foundation funds in 2018. The total foundation funds approved by the authorities amounted to $187,276,000.

(b) Temporarily restricted net value

The list of service reserve provision was as follows:

	31 Dec. 2018	31 Dec. 2017
Service Reserve Provision	$19,231,623	$48,444,651

The Service Reserve Provision was provided by the Foundation in 2018 and 2017 due to implementation of " Physical and Psychological Rehabilitation Service Reserve Provision for the Survivors of the Formosa Fun Coast Water Park Explosion". Please refer to Note 6. (4) for details.

(c) Unrestricted net value - designated net value

	31 Dec. 2018	31 Dec. 2017
Business Incubator Reserve Provision	$-	$-

The Foundation entered into an agreement with Taipei City Government on 27 December 2005 for the operation of the Sunshine Gas Station. Based on business plan outlined in the agreement, the Foundation should appropriate surpluses from the Sunshine Gas Station into Business Incubator Reserve Provision. This Business Incubator Reserve Provision is provided for the purpose of future establishment of sheltered workshops, the development of employment services, as well as the employee employment plan. Movements of provision for the Business Incubator Reserve Provision in 2018 and 2017 were as follows:

	31 Dec. 2018	31 Dec. 2017
Start-up social enterprise	$-	$7,924,169

(d) Other net value

Asset funds

Before 2010, the Foundation recorded property, plant and equipment and asset funds simultaneously upon acquiring property, plant and equipment, and reversed property, plant and equipment and asset funds upon disposal of property, plant and equipment. As at 31 December 2018 and 2017, asset funds amounted to $8,785,107 and $9,797,807, respectively.

(10) Service revenue

Item	2018	2017
Rehabilitation equipment revenue	$5,430,529	$3,799,219
Cosmetic revenue	83,858	116,218
Rehabilitation revenue	1,427	2,457
Program revenue	131,005	326,535
Other service revenue	4,294,185	2,390,833
Total	$9,941,004	$6,635,262

(11) Subsidy revenue from government

Item	2018	2017
Government subsidy revenue	$5,857,147	$8,347,261
United Way Taiwan subsidy revenue	-	7,356,413
Total	$5,857,147	$15,703,674

(12) Other Revenue

Item	2018	2107
Charity sale revenue	$2,032,316	$2,575,297
Foreign exchange gain	200,297	-
Total	$2,232,613	$2,575,297

(13) Staff, depreciation and amortization expenses

	2018			
		Subsidiaries		
	the Foundation	Operating costs	Operating expenses	Total
Staff costs				
Salaries	$118,564,335	$22,440,886	$35,238,171	$176,243,392
Labor and health insurance	13,133,149	3,009,998	4,897,864	21,041,011
Pension	7,344,037	1,804,972	2,281,295	11,430,304
Meals	4,623,281	465,187	770,027	5,858,495
Welfare	1,963,724	852,721	1,513,439	4,329,884
Depreciation	15,029,994	3,234,582	-	18,264,576
Amortization expense	1,256,246	-	251,388	1,507,634

	2017			
		Subsidiaries		
	the Foundation	Operating costs	Operating expenses	Foundation
Staff costs				
Salaries	$117,705,116	$21,364,670	$34,230,624	$173,300,410
Labor and health insurance	13,304,084	2,905,587	4,335,497	20,545,168
Pension	7,408,559	1,686,910	2,026,940	11,122,409
Meals	4,720,080	419,965	697,355	5,837,400
Welfare	-	514,000	1,594,282	2,108,282
Depreciation	17,723,159	3,180,394	-	20,903,553
Amortization expense	698,878	-	612,845	1,311,723

(14) Operating profit/loss of subsidiaries

	2018	%	2017	%
Chian-He Social Enterprise				
Income	$35,975,447	100	$34,931,060	100
Costs	31,287,680	87	29,291,900	84
Gross profit	4,687,767	13	5,639,160	16
Expenses				
Salaries	1,449,806	4	2,734,125	8
Project expense	235,643	1	77,606	-
Insurance	300,984	1	254,299	1
Post and communication	210,340	1	199,704	1
Meals	99,413	-	101,340	-
Pension	119,089	-	108,776	-
Training	1,149,676	3	1,070,842	3
Other	95,608	-	113,884	-
Total operating expenses	3,660,559	10	4,660,576	13
Profit of Chian-He Social Enterprise	1,027,208	3	978,584	3
Business Department				
Income	1,206,962	100	1,932,266	100
Costs	41,265	3	509,415	26
Gross profit	1,165,697	97	1,422,851	74
Expenses				
Salaries	1,711,073	142	491,109	25
Insurance	155,641	13	75,304	4
Pension	105,147	9	35,593	2
Meals	40,264	3	93,720	5
Social enterprise	2,004,926	166	5,806,432	300
Other	1,018,604	85	1,022,072	53
Total operating expenses	5,035,655	418	7,524,230	389
Loss of Chian-He Social Enterprise	(3,869,958)	(321)	(6,101,379)	(316)

	2018	%	2017	%
Nangang Car Wash Center				
Income	2,101,818	100	3,154,766	100
Costs	2,549,478	121	3,270,931	104
Gross loss	(447,660)	(21)	(116,165)	(4)
Expenses	561,715	27	735,552	23
Loss of Nangang Car Wash Center	(1,009,375)	(48)	(851,717)	(27)
Sunvis Center				
Income	7,416,094	100	-	-
Costs	1,506,057	20	-	-
Gross loss	5,910,037	80	-	-
Expenses			-	-
Salaries	4,934,801	67	-	-
Insurance	668,490	9	-	-
Pension	293,366	4	-	-
Meals	172,479	2	-	-
Social enterprise	2,306,370	31	-	-
Other	3,793,490	51	-	-
Total operating expenses	12,168,996	164	-	-
Loss of Chian-He Social Enterprise	(6,258,959)	(84)	-	-
Shih-Min Social Enterprise Gas Station				
Income	445,732,155	100	396,412,810	100
Costs	379,375,170	85	331,211,402	83
Gross profit	66,356,985	15	65,201,408	17
Expenses				
Salaries	27,142,491	6	31,005,390	8
Project expense	12,222,660	3	4,942,299	1
Advertisement	4,783,554	1	4,300,582	1
Maintenance	551,841	-	909,078	-
Insurance	3,820,078	1	4,023,284	1
Post and communication	2,807,690	-	2,611,178	1
Meals	457,871	-	502,295	-
Pension	1,763,693	1	1,882,571	-
Water, electricity and gas	987,238	-	989,020	-
Other	3,579,209	1	4,151,113	2
Total expenses	56,116,325	13	55,316,810	14
Profit of Gas Station	10,222,660	2	9,884,598	2
Net profit from subsidiaries	$111,576		$3,910,086	

(15) 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 the Foundation set up the "Physical and Psychological Rehabilitation Service Fund for the Survivors of the Formosa Fun Coast Water Park Explosion" in 2015, 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 planned to have the balance amount of $452,664,290 used for the programs in initial foundation related activities within four years since 2016. The plan had been approved by competent authority.

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 recognized as an expense for the year.

The Foundation qualified as the foundation exempt from income tax stated in Standards of Income Tax Exemption for Educational, Cultural, Public Welfare, Charitable Organizations or Groups, promulgated in accordance with Article 4.13 of the Income Tax Act.

Income tax filing was approved by the tax authority up to 2016.

7. Significant transactions with related parties

None.

8. Assets pledged as security

None.

9. Commitments and contingencies

(1) The Foundation renewed the agreement with the Taipei City Foreign and Disabled Labor Office for the operation of Shih-Min Social Enterprise Gas Station in December 2017. The agreement period is from 1 January 2018 to 31 December 2020.

(2) The Foundation renewed the agreement with the Taipei City Foreign and Disabled Labor Office for the operation of Chian-He Social Enterprise in December 2014. The agreement period is from 1 December 2014 to 31 December 2019.

(3) The Foundation entered into a franchise agreement with Hsuan-Li Car Care Workshop for the Songshan Carwash Center in January 2017. The franchise fee amounted to $150,000. The agreement period is from 1 January 2017 to 31 December 2019.

(4) The Foundation entered into a franchise agreement with Bi-Huei Car Care Workshop for the Nangang Carwash Center in October 2018. The transferation fee amounted to $413,028. The agreement period is from 20 October 2018 to 30 September 2021.

10. Significant subsequent events

There is no significant subsequent event that would affect the financial position of the foundation between the period from 31 December 2018 to the date of independent auditor's report.

11. Other disclosures

(1) Categories of financial instruments

Financial assets

	31 Dec. 2018	31 Dec. 2017
Loans and receivables:		
Cash and cash equivalents (excluding cash on hand)	$296,631,515	$368,600,724
Accounts receivable	16,444,198	15,570,554
Funds	90,044,303	144,257,331
Guarantee deposits paid	8,235,711	7,561,605
Subtotal	411,355,727	535,990,214
Financial assets at cost	1,948,320	1,948,320
Total	$413,304,047	$537,938,534

Financial liabilities

	31 Dec. 2018	31 Dec. 2017
Accounts payable	$1,869,258	$1,954,368
Other payables	60,137,866	68,293,698
Guarantee deposits received	336,640	10,000
Total	$62,343,764	$70,258,066

(2) The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Foundation to measure or disclose the fair values of financial assets and financial liabilities:

a. The carrying amount of cash and cash equivalents, accounts receivable, investments in debt instrument without active market, restricted assets, guarantee deposits paid, accounts payable and guarantee deposits received approximate their fair value due to their short maturities.

b. Equity instruments without market quotations (including unquoted private company equity securities) were measured at cost, net of impairment, at the end of reporting period, when the fair value cannot be measured reliably.

(3) Other

For the comparison purpose, the financial statements of the Foundation for the year ended 31 December 2017 have been reclassified in accordance with the National Social Welfare Foundation Accounting and Financial Statement Preparation Standards, Generally Accepted Accounting Principles and related interpretations. The reclassification is not material to financial statements disclosures.

Sunshine Social Welfare Foundation

The Statement of Functional Expenses

For The Years Ended 31 December 2018 and 2017

Table 1 Unit: New Taiwan Dollar

2018						
Function	Fundraising and development expense					General and administrative expense
	Restructure of physics, psychology and society	R&D and promotion	Grants and rewards	Fundraising expense	Total	
Personnel costs	114,491,160	7,013,033	-	8,026,791	129,530,984	16,097,542
Service expenses (Note 1)	18,012,253	1,530,330	30,349,243	4,992,987	54,884,813	2,780,052
Supplies and materials	7,239,547	756,674	-	2,158,027	10,154,248	854,930
Rental expenses	7,840,845	295,030	-	594,324	8,730,199	3,519,604
Depreciation and amortization expenses	15,659,582	-	-	-	15,659,582	626,658
Donation expenses	-	-	-	-	-	-
Training expenses	1,945,552	137,011	-	6,094	2,088,657	353,635
Others	3,548,457	155,976	-	224,865	3,929,298	1,810,327
Total	168,737,396	9,888,054	30,349,243	16,003,088	224,977,781	26,042,748

2017						
Function	Fundraising and development expense					General and administrative expense
	Restructure of physics, psychology and society	R&D and promotion	Grants and rewards	Fundraising expense	Total	
Personnel costs	117,854,289	6,372,023	-	7,372,269	131,598,581	11,539,258
Service expenses (Note 1)	35,757,005	17,606,203	43,770,054	9,707,678	106,840,940	6,135,322
Supplies and materials	1,122,773	4,242	-	14,680	1,141,695	456,092
Rental expenses	7,019,253	-	-	-	7,019,253	2,654,880
Depreciation and amortization expenses	16,987,417	-	-	-	16,987,417	1,434,620
Donation expenses	-	-	-	-	-	-
Training expenses	51,388	5,346	-	13,024	69,758	9,798
Others	3,117,940	2,763	-	37,588	3,158,291	1,426,944
Total	181,910,065	23,990,577	43,770,054	17,145,239	266,815,935	23,656,914

Note 1: The difference between service expenses in 2018 and 2017 resulted from the decline in service needs of survivors of the Formosa Fun Coast Water Park Explosion.

Note 2: The Foundation did not pay any salary and compensation to board of trustees.

Subsidiaries of Sunshine Social Welfare Foundation

Statement of Income and Expenses

For The Years Ended 31 December 2018 and 2017

Table 2 Unit: New Taiwan Dollar

Account Name	2018		2017	
	Amount	%	Amount	%
Revenue				
Operating revenue				
Sales or service revenue	485,633,075	99	428,473,942	98
Subsidy revenue from government	4,184,245	1	5,235,004	1
Government project revenue	-	-	-	-
Donations revenue	121,000	-	1,300	-
Interest income	714,421	-	612,748	-
Dividend revenue	-	-	-	-
Other revenue	1,779,735	-	2,107,908	1
Total revenue	492,432,476	100	436,430,902	100
Expense				
Operating costs	-		-	
Sales or service costs	487,285,245	99	424,996,586	97
General and administrative expense	5,035,655	1	7,524,230	2
Other expense	-		-	
Total expenditure	492,320,900	100	432,520,816	99
Budget surplus	111,576	-	3,910,086	1