

Mondelez Danmark ApS

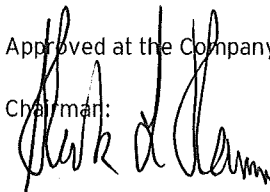
Søndre Ringvej 55, 2605 Brøndby

CVR no. 78 86 10 10

Annual report 2017

Approved at the Company's annual general meeting on 28 May 2018

Chairman:



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Henrik Lindegaard Hansen

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Statement by the Board of Directors and the Executive Board

Today, the Board of Directors and the Executive Board have discussed and approved the annual report of Mondelez Danmark ApS for the financial year 1 January - 31 December 2017.


The annual report is prepared in accordance with the Danish Financial Statements Act.

In our opinion, the financial statements give a true and fair view of the financial position of the Company at 31 December 2017 and of the results of the Company's operations for the financial year 1 January - 31 December 2017.

Further, in our opinion, the Management's review gives a fair review of the development in the Company's operations and financial matters and the results of the Company's operations and financial position.

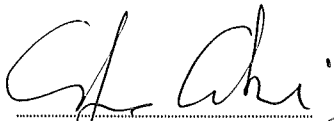
We recommend that the annual report be approved at the annual general meeting.

DK-Brøndby, 28 May 2018
Executive Board:

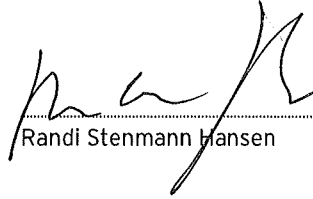


Gianfranco Gabrieli
Managing Director


Board of Directors:



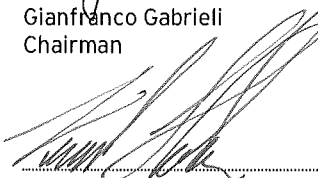
Gianfranco Gabrieli
Chairman



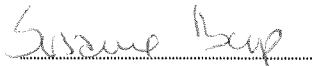
Randi Stenmann Hansen



Jan Henrik Johansen



Kenneth Hannibal



Susanne Gade Borup

Independent auditor's report

To the shareholders of Mondelez Danmark ApS

Opinion

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company at 31 December 2017, and of the results of the Company's operations for the financial year 1 January - 31 December 2017 in accordance with the Danish Financial Statements Act.

We have audited the Financial Statements of Mondelez Danmark ApS the financial year 1 January - 31 December 2017, which comprise income statement, balance sheet, statement of changes in equity and notes ("financial statements").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) and the additional requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on the work we have performed, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with the requirements of the Danish Financial Statement Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Statements Act 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless Management either intends to liquidate the Company 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 as to 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 ISAs and the additional requirements applicable in Denmark 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 the financial statements.

Independent auditor's report

As part of an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:


- 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.
- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

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.

DK-Hellerup, 28 May 2018
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
CVR no. 33 77 12 31



Rasmus Friis Jørgensen
State Authorised Public Accountant
mne28705



Joachim Munch
State Authorised Public Accountant
mne42244

Management's review

Company details

Name	Mondelez Danmark ApS
Address, Postal code, City	Søndre Ringvej 55, 2605 Brøndby
CVR no.	78 86 10 10
Established	10 September 1985
Registered office	Brøndby
Financial year	1 January - 31 December
Website	www.mdlznordic.com
Telephone	+45 43 96 96 22
Board of Directors	Gianfranco Gabrieli, Chairman Randi Stenmann Hansen Jan Henrik Johansen Kenneth Hannibal Susanne Gade Borup
Executive Board	Gianfranco Gabrieli, Managing Director
Auditors	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab Strandvejen 44, 2900 DK-Hellerup

Management's review

Financial highlights

DKK'000	2017	2016	2015	2014	2013
Key figures					
Revenue	761,809	781,310	752,306	1,037,850	1,032,104
Gross margin	59,351	51,296	52,531	83,714	87,929
Operating profit/loss	24,969	10,052	9,862	18,656	20,494
Net financials	-98	-168	-341	-223	-699
Profit/loss for the year	22,588	7,724	6,805	13,647	13,968
Balance sheet					
Total assets	296,784	304,006	276,019	390,553	342,418
Investment in property, plant and equipment	0	0	73	243	1,263
Equity	93,062	70,474	62,750	55,995	42,348
Financial ratios					
Operating margin	3.3%	1.3%	1.3%	0.0%	0.0%
Gross margin	7.8%	6.6%	7.0%	8.1%	8.5%
Return on assets	8.3%	3.5%	3.0%	5.1%	6.1%
Equity ratio	31.4%	23.2%	22.7%	14.3%	12.4%
Return on equity	27.6%	11.6%	11.5%	27.8%	39.5%
Other					
Average number of employees	61	72	92	112	116

Management's review

Business review

The Company markets and sells some of the strongest brands in Nordic within the categories chocolate, biscuits, gum and candy, meals and powdered beverages, to both the retail and the professional market.

Recognition and measurement uncertainties

There has been no uncertainty relating to recognition and measurement in the Annual Report.

Unusual matters having affected the financial statements

The financial position of the Company at 31 December 2017 and the result of activities for the financial year 2017 have not been affected by any unusual events.

Financial review

In 2017, the Company's revenue amounted to DKK 761,809 thousand against DKK 781,310 thousand last year. The income statement for 2017 shows a profit of DKK 22,588 thousand against a profit of DKK 7,724 thousand last year, and the balance sheet at 31 December 2017 shows equity of DKK 93,062 thousand.

The result for the year is considered satisfactory and in line with expectations.

Outlook

The activities for the next year are anticipated to be in line with this year with an estimated profit after tax of DKK 9-11 millions.

Knowledge resources

Besides a lot of skilled employees the Company has no intellectual capital resources in particular.

Special risks

The Company has no special risks.

Impact on the external environment

The Company has no particular impact on the external environment.

Research and development activities

There is no research and development carried out within the company. This is handled in other group entities.

Statutory CSR report

Mondelez International works actively with Corporate Social Responsibility. Mondelez Danmark ApS takes part of that work, both directly in our local operations and indirectly, as the products we sell are sourced from factories which have ambitious sustainability targets, including responsible sourcing of raw materials and decreased footprint of production sites. Furthermore we conduct our business in line with current rules and regulations for environmental and social conditions in Denmark.

Mondelez International is a global business and therefore they do not give information about the individual companies and their Corporate Social Responsibility. However this is a matter of high importance to the Group, which is why the information is given at a Group level.

Pursuant to the Danish Financial Statements Act section 99a, 6, the information on Corporate Social Responsibility is given at :

<http://www.mondelezinternational.com/impact> "Impact For Growth" - Mondelez International's commitment to driving business growth with positive change in the world.

Management's review

Account of the gender composition of Management

The company aims to have a diversified composition of the Board of Directors.

The Company's board of directors have a one out of three split between the two genders excl. staff representatives, which is in line with the board of director's target as well as the requirement of the chamber of commerce.

Also on the other management levels the Company has an equal balance between the sexes.

The Group works intensely with equal rights for everybody and has established policies for this to ensure that the Company has the opportunities that can facilitate this diversity. During the year the work has continued, hereunder mentoring programs and yearly interviews with all employees.

The work is based on UN Women's Empowerment Principles, which the Group signed in 2013.

<https://www.mondelezinternational.com/impact/safety-of-our-people-and-products/ensuring-a-safe-work-environment>

Financial statements 1 January - 31 December

Income statement

Note	DKK'000	2017	2016
2	Revenue	761,809	781,310
	Other operating income	12,493	0
	Cost of sales	-694,090	-693,093
	Other external expenses	-20,861	-36,921
	Gross margin	59,351	51,296
3	Staff costs	-34,129	-41,026
4	Depreciation of property, plant and equipment	-253	-218
	Profit before net financials	24,969	10,052
5	Financial income	72	43
6	Financial expenses	-170	-211
	Profit before tax	24,871	9,884
7	Tax for the year	-2,283	-2,160
	Profit for the year	22,588	7,724

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	ASSETS		
	Fixed assets		
8	Property, plant and equipment		
	Fixtures and fittings, other plant and equipment	449	667
	Leasehold improvements	362	429
		<u>811</u>	<u>1,096</u>
9	Investments		
	Other receivables	0	6
		<u>0</u>	<u>6</u>
	Total fixed assets	<u>811</u>	<u>1,102</u>
	Non-fixed assets		
	Receivables		
	Trade receivables	104,489	103,688
	Receivables from group enterprises	116,453	121,251
11	Deferred tax assets	4,906	5,026
	Corporation tax receivable	69,897	72,519
	Prepayments	228	420
		<u>295,973</u>	<u>302,904</u>
	Total non-fixed assets	<u>295,973</u>	<u>302,904</u>
	TOTAL ASSETS	<u><u>296,784</u></u>	<u><u>304,006</u></u>

Financial statements 1 January - 31 December

Balance sheet

Note	DKK'000	2017	2016
	EQUITY AND LIABILITIES		
	Equity		
10	Share capital	25,001	25,001
	Retained earnings	68,061	45,473
	Total equity	93,062	70,474
	Provisions		
	Other provisions	379	1,363
12	Total provisions	379	1,363
	Liabilities other than provisions		
	Current liabilities other than provisions		
	Trade payables	1,813	3,234
	Payables to group enterprises	99,207	101,970
	Other payables	102,323	126,965
		203,343	232,169
	Total liabilities other than provisions	203,343	232,169
	TOTAL EQUITY AND LIABILITIES	296,784	304,006

- 1 Accounting policies
- 13 Contractual obligations and contingencies, etc.
- 14 Related parties
- 15 Fee to the auditors appointed by the Company in general meeting

Financial statements 1 January - 31 December

Statement of changes in equity

Note	DKK'000	Share capital	Retained earnings	Total
	Equity at 1 January 2017	25,001	45,473	70,474
16	Transfer, see "Appropriation of profit"	0	22,588	22,588
	Equity at 31 December 2017	25,001	68,061	93,062

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies

The annual report of Mondelez Danmark ApS for 2017 has been prepared in accordance with the provisions in the Danish Financial Statements Act applying to large reporting class C entities.

The accounting policies used in the preparation of the financial statements are consistent with those of last year.

Omission of a cash flow statement

With reference to section 86(4) of the Danish Financial Statements Act, no cash flow statement is prepared for the parent company, as its cash flows are reflected in the consolidated cash flow statement.

Basis of recognition and measurement

Revenues are recognised in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortised cost are recognised. Moreover, all expenses incurred to achieve the earnings for the year are recognised in the income statement, including depreciation, amortisation, impairment losses and provisions as well as reversals due to changed accounting estimates of amounts that have previously been recognised in the income statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits attributable to the asset will flow to the Company, and the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow out of the Company, and the value of the liability can be measured reliably.

Assets and liabilities are initially measured at cost. Subsequently, assets and liabilities are measured as described for each item below.

Reporting currency

The financial statements are presented in Danish kroner (DKK'000).

Foreign currency translation

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognised in financial income and expenses in the income statement.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognised in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Leases

All leases are considered operating leases. Payments made under operating leases are recognised in the income statement on a straight-line basis over the lease term.

Income statement

Revenue

Revenue from the sale of goods is recognised when the risks and rewards relating to the goods sold have been transferred to the purchaser, the revenue can be measured reliably and it is probable that the economic benefits relating to the sale will flow to the Company.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Revenue is measured at the consideration received and is recognised exclusive of VAT and net of discounts relating to sales.

Other operating income

Other operating income comprise items of a secondary nature relative to the Company's core activities, including gains on the sale of fixed assets.

Cost of sales

Cost of sales includes the cost of goods used in generating the year's revenue.

Other external expenses

Other external expenses comprise expenses for sales, servicefees for administrative functions, rent etc.

Staff costs

Staff expenses comprise wages and salaries as well as payroll expenses.

Depreciation

The item comprises depreciation of property, plant and equipment.

The basis of depreciation, which is calculated as cost less any residual value, is depreciated on a straight line basis over the expected useful life. The expected useful lives of the assets are as follows:

Fixtures and fittings, other plant and equipment	3-10 years
Leasehold improvements	5 years

The carrying amounts of tangible assets and property, plant and equipment are reviewed on an annual basis to determine whether there is any indication of impairment other than that expressed by amortisation and depreciation.

If so, the asset is written down to its lower recoverable amount.

The residual value is determined at the time of acquisition and are reassessed every year. Where the residual value exceeds the carrying amount of the asset, no further depreciation charges are recognised. In case of changes in the residual value, the effect on the depreciation charges is recognised prospectively as a change in accounting estimates.

Financial income and expenses

Financial income and expenses are recognised in the income statements at the amounts that concern the financial year. Net financials include interest income and expenses as well as exchange rate gains and losses.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Tax

Tax for the year consists of current tax for the year and changes in deferred tax for the year. The tax attributable to the profit for the year is recognised in the income statement, whereas the tax attributable to equity transactions is recognised directly in equity.

The Company is jointly taxed with wholly owned Danish and foreign subsidiaries. The tax effect of the joint taxation is allocated to Danish enterprises in proportion to their taxable incomes.

Balance sheet

Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost includes the acquisition price and costs directly related to the acquisition until the time at which the asset is ready for use.

Receivables

Receivables are measured in the balance sheet at the lower of amortised cost and net realisable value, which corresponds to nominal value less provisions for bad debts. Provisions for bad debts are partly determined on the basis of an individual assessment of each receivable as well as a general provision based on aging.

Prepayments

Prepayments comprise prepaid expenses concerning rent, insurance premiums, and subscriptions.

Provisions

Provisions are recognised when - in consequence of an event occurred before or on the balance sheet date - the Company has a legal or constructive obligation and it is probable that economic benefits must be given up to settle the obligation.

Income taxes

Current tax payables and receivables are recognised in the balance sheet as the estimated income tax charge for the year, adjusted for prior-year taxes and tax paid on account.

Deferred tax is measured according to the liability method on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured according to the tax rules and at the tax rates applicable at the balance sheet date when the deferred tax is expected to crystallise as current tax. Deferred tax assets are recognised at the expected value of their utilisation; either as a set-off against tax on future income or as a set-off against deferred tax liabilities in the same legal tax entity. Changes in deferred tax due to changes in the tax rate are recognised in the income statement.

Liabilities

Other liabilities are measured at net realisable value.

Financial statements 1 January - 31 December

Notes to the financial statements

1 Accounting policies (continued)

Segment information

The allocation of revenue to activities and geographical markets is disclosed where these activities and markets differ significantly in the organisation of sales of goods and services.

Financial ratios

The financial ratios stated under "Financial highlights" have been calculated as follows:

Operating margin	$\frac{\text{Operating profit} \times 100}{\text{Revenue}}$
Gross margin ratio	$\frac{\text{Gross margin} \times 100}{\text{Revenue}}$
Return on assets	$\frac{\text{Profit/loss from operating activities} \times 100}{\text{Average assets}}$
Equity ratio	$\frac{\text{Equity, year-end} \times 100}{\text{Total equity and liabilities, year-end}}$
Return on equity	$\frac{\text{Profit/loss for the year after tax} \times 100}{\text{Average equity}}$

Financial statements 1 January - 31 December

Notes to the financial statements

2 Segment information

The Company has not disclosed the breakdown of revenue by geographical and business segments, as these do not differ significantly in the organisation of sales of goods and services.

DKK'000	2017	2016
3 Staff costs		
Wages/salaries	32,256	37,683
Pensions	2,437	2,916
Other social security costs	139	162
Other staff costs	-703	265
	<u>34,129</u>	<u>41,026</u>
Average number of full-time employees	<u>61</u>	<u>72</u>
Total remuneration to Management: DKK'000 2.086 (2016: DKK'000 1.790)		
4 Depreciation of property, plant and equipment		
Depreciation of property, plant and equipment	253	218
	<u>253</u>	<u>218</u>
5 Financial income		
Exchange gain	26	43
Other financial income	46	0
	<u>72</u>	<u>43</u>
6 Financial expenses		
Other interest expenses	64	56
Exchange losses	60	155
Other financial expenses	46	0
	<u>170</u>	<u>211</u>
7 Tax for the year		
Estimated tax charge for the year	3,297	2,008
Deferred tax adjustments in the year	120	152
Tax adjustments, prior years	-1,134	0
	<u>2,283</u>	<u>2,160</u>

Financial statements 1 January - 31 December

Notes to the financial statements

8 Property, plant and equipment

DKK'000	Fixtures and fittings, other plant and equipment	Leasehold improvements	Total
Cost at 1 January 2017	1,878	635	2,513
Disposals	-49	0	-49
Correction	216	0	216
Cost at 31 December 2017	<u>2,045</u>	<u>635</u>	<u>2,680</u>
Impairment losses and depreciation at 1 January 2017	1,211	206	1,417
Depreciation	186	67	253
Depreciation and impairment of disposals	-17	0	-17
Correction	216	0	216
Impairment losses and depreciation at 31 December 2017	<u>1,596</u>	<u>273</u>	<u>1,869</u>
Carrying amount at 31 December 2017	<u>449</u>	<u>362</u>	<u>811</u>

9 Investments

DKK'000	Other receivables
Cost at 1 January 2017	6
Disposals	-6
Carrying amount at 31 December 2017	<u>0</u>

DKK'000	2017	2016
10 Share capital		
Analysis of the share capital:		
25,001 shares of DKK 1,000.00 nominal value each	<u>25,001</u>	<u>25,001</u>
	<u>25,001</u>	<u>25,001</u>

The Company's share capital has remained DKK 25,001 thousand over the past 5 years.

Financial statements 1 January - 31 December

Notes to the financial statements

11 Deferred tax

Deferred tax relates to:

DKK'000	2017	2016
Intangible assets	-4,191	-4,191
Property, plant and equipment	-290	-406
Receivables	-44	-19
Provisions	-381	-410
	<u>-4,906</u>	<u>-5,026</u>
Analysis of the deferred tax		
Deferred tax assets	<u>-4,906</u>	<u>-5,026</u>
	<u>-4,906</u>	<u>-5,026</u>

12 Provisions

Other provisions comprise provisions for stock options.

13 Contractual obligations and contingencies, etc.

Other contingent liabilities

The Company has a dispute with the Danish Tax Authorities regarding the income years 2009 and 2010. In February 2015 the company received the final decision from Danish Tax Authorities related to a proposed adjustment of the taxable income for 2009 and 2010 which indicated an liability towards Mondelez amounting to MDKK 67. The company strongly disagrees with Danish Tax Authorities' adjustment and has appealed the decision to the National Tax Tribunal in April 2015. To mitigate further interest calculation, the tax has been paid and the payment is incorporated in the balance sheet as a tax receivable.

The company has provided a payment guarantee related to rental of office space amounting to TDKK 796.5.

The Company is jointly taxed with all other Danish companies in the Mondelez Group International. As a consolidated entity, the Company has unlimited and joint liability together with the other companies under joint taxation for Danish corporation tax and withholding tax on dividends, interest and royalties within the jointly taxed companies.

Other financial obligations

Other rent and lease liabilities:

DKK'000	2017	2016
Rent and lease liabilities	<u>4,477</u>	<u>11,820</u>

Financial statements 1 January - 31 December

Notes to the financial statements

14 Related parties

Mondelez Danmark ApS' related parties comprise the following:

Parties exercising control

<u>Related party</u>	<u>Domicile</u>	<u>Basis for control</u>
Kraft Foods Schweiz Holding GmbH	Chollerstrasse 4, 6301 ZUG, Schweiz	Sole shareholder

Information about consolidated financial statements

<u>Parent</u>	<u>Domicile</u>	<u>Requisitioning of the parent company's consolidated financial statements</u>
Kraft Foods Schweiz Holding GmbH	Chollerstrasse 4, 6301 ZUG, Schweiz	www.mondelezinternational.com/investors
Mondelez International, Inc.	3 Pkwy. N., Deerfield IL 60015, USA	www.mondelezinternational.com/investors

Related party transactions

With reference to section 98 C(7) of the Danish Financial Statements Act, the company has chosen only to disclose transactions with related parties not carried through on normal market terms.

All transactions with related parties have been carried through on normal market terms.

DKK'000	<u>2017</u>	<u>2016</u>
15 Fee to the auditors appointed by the Company in general meeting		
Statutory audit	226	209
Other assistance	0	23
	<u>226</u>	<u>232</u>
16 Appropriation of profit		
Recommended appropriation of profit		
Retained earnings	22,588	7,724
	<u>22,588</u>	<u>7,724</u>