

Acter Co., Ltd.



2013 Annual General Shareholders' Meeting Minutes

Time and Date : 09:00 a.m, 19 June, 2013

Place : 33F, No.787, Jhongming S. Rd., Taichung (Acter's office meeting room)

Total outstanding Acter shares: 46,135,819 shares

Total shares represented by shareholders present in person or by proxy: 26,557,213 shares. Percentage of shares held by shareholders present in person or by proxy:57.56%.

Chairman: Liang, Jing-Li

Recorder: Huang, Zi-Yan

I. Call the Meeting to Order: The aggregate shareholders of shareholders present in person or by proxy constituted a quorum. The chairman called the meeting to order.

II. Chairman Remarks : (omitted)

III. Management Presentations

1. 2012 Business Report (see Attachment 1 and 2)
2. Supervisor's Review Report on the 2012 Financial Statements (see attachment 3)
3. Summary of the Company initial adapted IFRS impact on retained earnings and special reserve amounts.
4. To report amendment to the "Ethical Corporate Management Operating Procedures and Conduct Guide".(omitted)
5. The company participated in results reporting via the Taiwan Corporate Governance Association's corporate governance evaluating system. (omitted)

IV. Proposals and Discussion

Proposal 1 : Adoption of the 2012 Business Report and Financial Statements.

Explanation :

- (1). Acter Company's Financial Statements, including the balance sheet, income statement, statement of changes in shareholders' equity, and statement of cash flows, were audited by independent auditors, Hhi-Lan Wu and Cheng-Hsueh Chen of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board and examined by the supervisors of Acter Company. °
- (2). The 2012 Business Report, independent auditors' audit report, and the above-mentioned Financial Statements are attached in the Meeting Agenda, pp. [11-29], Attachment 1 and 2.

Voting Results :

26,557,213 shareholders were represent at the time of voting; 26,098,213 shares voted for the proposal, representing 98.27% of total represented shares present.

RESOLVED, that the above proposal be and hereby was accepted as submitted.

Proposal 2 : Adoption of the Proposal for Distribution of 2012 Profits.

Explanation :

(A). Please refer to the 2012 Profit Distribution Table as follows:

Acter Co., Ltd.
PROFIT DISTRIBUTION TABLE
Year 2012

Items	Unit : NTD
Beginning retained earnings	416,230,355
Add: net profit after tax	709,533,489
Less: 10% legal reserve (2012)	70,953,349
Distributable net profit	1,054,810,495
Distributable items:	

Items	Unit : NTD
Cash Dividend to shareholders(10 per share)	461,358,190
Stock Dividend to shareholders (0 per share)	0
Unappropriated retained earnings	593,452,305
Notes: Employee bonus sharing 35,121,907(According to the Articles of Association the employee bonus in the amount not less than 2%) Compensation of directors and supervisors17,241,664 (According to the Articles of Association the director and supervisor remuneration in the amount not exceeding 3%)	

(B). Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to resolve the ex-dividend date, ex-rights date, and other relevant issues.

Voting Results :

26,557,213 shareholders were represent at the time of voting; 26,098,213 shares voted for the proposal, representing 98.27% of total represented shares present.

RESOLVED, that the above proposal be and hereby was accepted as submitted.

Proposal 3: Amendment to the Rules of Procedure for Shareholder Meetings. Please proceed to discuss.

Explanation :

1. In order to amendments to related commercial laws, the company hereby proposes to amend the Rules of Procedure for Shareholder Meetings.
2. Please refer to page 32-34 (Attachment 5) for details.

Voting Results :

226,557,213 shareholders were represent at the time of voting; 26,098,213 shares voted for the proposal, representing 98.27% of total represented shares present.

RESOLVED, that the above proposal be and hereby was accepted as submitted.

Proposal 4 : Amendment to the Operational Procedures for 「Loaning of Company Funds」, 「Endorsements and Guarantees」 and 「Acquisition and Disposal of Assets」

Explanation :

1. In order to amendments to related commercial laws and onform to the needs of commercial practice, the company hereby proposes to amend the Operational Procedures for Loaning of Company Funds and Endorsements and Guarantees and Acquisition and Disposal of Assets.
2. Please refer to page 35-39 (Attachment 6-8) for details.

Voting Results :

26,557,213 shareholders were represent at the time of voting; 26,098,213 shares voted for the proposal, representing 98.27% of total represented shares present.

RESOLVED, that the above proposal be and hereby was accepted as submitted.

V. Questions and Motions

VI. Adjournment: The meeting were adjourned at 9:30 a.m.

Chairman : Liang, Jing-Li 

Recorder:Huang, Zi-Yan 

Attachment 1.BUSINESS REPORT

Acter Co., Ltd.



2012 Business Report

1. 2012 Business results

(1). Business plan implementation results

In 2012, factors such as the spreading European debt crisis, China's slowing economic growth, and America's looming fiscal cliff caused the global economy to remain in the depressed state it had entered during the second half of 2011, and overall growth momentum was even weaker than in 2011. In this depressed business environment, and in spite of the fact that unfavorable conditions led to results not as good as expected, Acter nevertheless was able to attain operating revenue exceeding NT\$3.3 billion for the year. This achievement can be attributed to employees' unstinting hard work and all departments' efforts to strengthen the company's constitution, enhance the company's technological level, and continue to cut costs.

Unit : In thousands of New Taiwan Dollars

Items	2011	2012	DIF	DIF%
Operating revenue	3,427,618	3,308,493	- 119,125	-3.48%
Operating cost	3,023,892	2,660,320	-363,572	-12.02%
Gross profit	403,726	648,173	244,447	60.55%
Operating expenses	128,897	138,146	9,249	7.18%
Operating income	274,829	510,027	235,198	85.58%
Non-Operating income and expenses	389,066	324,181	-64,885	-16.68%
Income before income taxes	663,895	834,208	170,313	25.65%

Acter was able to maintain steady growth in 2012 thanks to the concerted efforts of its directors and supervisors, managers, and all employees. When the European debt crisis caused global economic indicators to plummet at the end of 2011, affecting the markets for Taiwan's industries, and especially high-tech industries, Acter was also impacted to some degree, and suffered some profit fluctuations. However, due to our diversified developmental strategy, active promotion of different products and services, and involvement in different industries, we were able to disperse our risks and weather the crisis

caused by the economic conditions in the electronics and energy industries. Thanks to our fine-tuned risk dispersal strategy, Acter enjoyed operating revenue of NT\$3.308 billion in 2012. Although this represented a slight year-to-year decrease of 3.48%, our superior integrated design and construction service and cost cutting measures such as "value engineering" enabled us to achieve a 60.55% increase in gross operating profit and a 25.96% increase in pre-tax profit compared with 2011. Looking ahead to 2013, we are still awaiting the satisfactory resolution of the European debt crisis and American and Japanese fiscal problems. Although initial global economic data for 2013 has not showed any significant improvement, gradually rebounding economic indicators for various individual industries suggests that a recovery can be expected soon. Apart from steadily growing opportunities in biomedicine and pharmaceuticals, supply chain capacity in high-tech fields such as semiconductors is gradually recovering. As a result, we expect demand in the engineering services market to return to a higher level in 2013. We at Acter plan to work hard and maintain a prudent outlook as we cultivate the engineering services market, and we hold a cautiously optimistic attitude toward our development in 2013.

(2). State of budget implementation

This item is not applicable since Acter has not disclosed any financial forecasts.

(3). Financial structure and profitability

Items		2011	2012	DIF	
Financial structure	Ratio of liabilities to assets (%)	32.96	38.03	5.07	
	Ratio of long-term capital to fixed assets (%)	1,533.42	1,660.05	126.63	
Solvency	Current ratio (%)	193.99	177.06	-16.93	
	Quick ratio (%)	160.81	146.01	-14.80	
Profitability	Return on total assets (%)	16.16	17.56	1.40	
	Return on stockholders' equity (%)	25.59	27.31	1.72	
	Ratio to issued capital (%)	Operating income	59.57	110.55	50.98
		Pre-tax income	143.90	180.82	36.92
	Profit ratio (%)	16.33	21.45	5.12	
	Earnings per share (\$)	13.30	15.38	2.08	

(4). Research and development

Because Acter is an engineering services company, unlike conventional manufacturing and high-tech firms, it has no need to establish a dedicated R&D department or hire a

dedicated R&D team. However, Acter emphasizes high-quality service, and has made the improvement of project quality and construction efficiency a basic service goal. Each department at Acter is responsible for its own duties, and engineering units are in charge of applying technological experience and performing project implementation, monitoring, and overall planning. The design department seeks to meet clients' individualized needs, and bears responsibility for research and development of designs, drawings, and working methods. Responding to our diversified industry portfolio strategy, our biotech department bears responsibility for determining and quickly meeting the requirements of biotech and pharmaceutical firms. Our project department chiefly performs planning and implementation of major industry projects, and maintains close management of turnkey projects. We have also established a dedicated QC department in order to further strengthen our project and service quality. Apart from controlling and improving the quality of existing projects, the QC department is also enhancing biotech plant validation and certification services, which include certification tasks such as process and risk assessment and audits. We are working hard to acquire the project technologies needed by different industries, and perform integrated R&D projects aimed at expanding our project type repertoire. We are also recruiting and training relevant manpower, which allows us to offer integrated TURN-KEY projects services including the aspects of consulting, design, construction, testing, certification, testing, and maintenance.

Our technology is chiefly obtained from our steady contracting work in conjunction with other domestic and foreign engineering companies. We have relied on our experience to develop our own project designs, project management philosophy, and choices of materials. We also monitor differences in project design and construction technique between other domestic and foreign companies and Acter. We are continuously acquiring new materials and improving our project technology and construction planning and management capabilities. Analyzing our strengths and weaknesses enables us to improve our existing strong points and stay abreast of the engineering techniques and materials prevailing in the domestic industry environment, and we continuously apply new techniques and materials to our project designs and construction work. We further rely on the acquisition and improvement of construction techniques, as well as other serious and uncompromising attitude toward each project stage, to continuously improve quality. As a result, our past projects have won the applause of numerous project owners.

(5). State of corporate development

Acter currently seeks to develop into an international business group with operations in

diverse geographical areas, and is now consolidating its Asian market. Acter hopes to transplant its successful experience with clean rooms and turnkey electromechanical projects in Taiwan to a broader international scope. Our most important strategy is to establish a base in the Greater China area, and we have set up subsidiaries and business offices in the Chinese cities of Suzhou, Shenzhen, and Shanghai. As our business grows, we plan to gradually expand into Chengdu, Xiamen, and Tianjin, etc., where we will establish subsidiaries, train and recruit local business and technical teams, and provide extensive, near-at-hand service to project owners. In addition, we have established a strategic alliance with Japan's Sumitomo Co., Ltd. (referred to below as "Sumitomo"), and both our companies have invested in the establishment of the Zhuke Integrated Systems Construction Co., Ltd. (Shanghai), which has entered the Chinese petrochemical project market. During the initial adaptation and planning stage, apart from transplanting Acter's management model, this new company has been training its own on-site elite team. The company's organization and operations are now firmly on track, and is enjoys boundless space in which to grow. Southeast Asia is another focal area in our corporate expansion plans. We first entered the Southeast Asian market in 2010, and chose the resource collection and distribution center of Singapore as our first development site. Our subsidiary Nova Technology Singapore Pte. Ltd. ("NTS") specializes in clean room projects, the precision chemical industry, and petrochemical projects services, and was our first step to entering emerging markets in Southeast Asia. In 2012, we continued to extend our group's presence in this region, selecting Malaysia as the site of another base of operations. We have established a subsidiary in the Malaysian market with our partner Sumitomo, rely on NTS as a support center providing a supply of raw materials, technology, and manpower. The complementary roles of our subsidiaries in Singapore and Malaysia has given us a broader service scope, and we hope to occupy a dominant position in the Southeast Asian engineering services market at an early date.

Apart from our horizontally-integrated business model involving multi-regional development, we have also adopted a three-in-one multi-industry, multi-project type, and multi-talent strategy as our best weapon for fighting today's recessionary conditions. Our revenue derives from three main sources: Apart from the 71% of our revenue derived from our original specialty of high-tech clean rooms, air conditioning systems, and electromechanical engineering projects, we also obtain 13% of our revenue from biotech and biomedical projects and 16% from electromechanical and air-conditioning projects for office and residential buildings. A multi-industry strategy dispersing operating risks lies at

the heart of our marketing efforts. As a result, when any particular industry is affected by the international situation or economic conditions, we can effectively adjust our industry portfolio, and minimize the effect of unfavorable conditions on our operations. Multi-project type, multi-talent, and a high-quality stable supply chain have been integral parts of our management strategy for many years. While our core competence lies in clean room equipment and air-conditioning systems, we are continuously developing outward into such areas as integrated electromechanical and air conditioning systems for high-tech plant buildings, biotech and pharmaceutical plants, and commercial office and residential buildings. We perform piping design, planning of processes and lines of movement, and are continuing to recruit professional manpower in various areas of engineering. We are able to integrate several different types of engineering in individual projects for various industries, and have received high praise from numerous project owners.

We will continue to pursue our three-in-one multi-industry, multi-project type, and multi-talent strategy in 2013, and take utmost advantage of our strengths to overcome the possibly unfavorable economic conditions during the year. We will boldly move forward to achieve our goal of becoming an all-round engineering technology company that can thrive during all stages of the economic cycle.

2. Summary of business plan for 2013

(1). Business strategy

During the more than three decades that have passed since Acter was established in 1979, apart from vigorously pursuing globalization and diversification while upholding our philosophy of prudent operation, we have also adopted the goal of becoming a premier all-round engineering service brand. Apart from effectively realizing our internal control and audit system, our operating strategy and plans for 2013 will include the following major courses of action

- (1) We will focus heavily on our core competence, continue to integrate different types of projects, develop new working methods, improve quality, and strive to become the leading brands in clean room projects.
- (2) We will increase our professional services for biotechnology and medical firms, expand the scope of our customers, and promote industrial development by actively assisting customers.
- (3) We will continue to consolidate our market in China, establish new business locations, and develop new customers. We will expand our service scope in Southeast Asia,

gradually expand our geographical scope in Asia, and transform ourselves into a global corporate group.

(4) We will acquire expertise in gas and chemical supply system engineering, allowing us to develop new-generation project integration technologies.

(5) We will recruit talent in many fields, and actively cultivate a management team consisting of both local talents and personnel stationed overseas.

(2). Expected sales volume and basis for estimates

We will strive to continue our steady growth in 2013, and are confident that we can meet our projected sales volume revenue targets. In spite of the fact that economic conditions remained difficult during 2012, after the European debt crisis toward the end of 2011 triggered a global economic panic, numerous financial institutions forecast that Taiwan will enjoy economic growth in excess of 3% during 2013, and HSBC projects that Taiwan's economic growth may be as high as 5.4%. These growth rates figures suggests that the economy has bottomed out and begun to recover. We therefore foresee that the economy has reached the right side of the U-shaped recovery, and has begun an upward trend. According to seasonally adjusted annualized growth rate data from the Central Bank of China, the economy as a whole has passed its low point and is on the way up. As far as the service market is concerned, apart from the active development of new domestic and foreign markets and provision of multi-industry, multi-area engineering services, this company will also continue to earn the accolades and support of existing customers via excellent service and a high level of project quality. We are confident that, as the economy gradually recovers, we will attain an even higher level of revenue than ever before during 2013.

(3). Business prospects in 2013

As the economy as a whole gradually improves during 2013, various industries will encounter opportunities for recovery. In addition, the ferment of inter-industry cooperation will continue to breed new opportunities. As the high-tech electronics and biomedical technology industries pursue ceaseless R&D and innovation, firms will have to make the transition to new and higher levels, and this company will inevitably benefit from the ensuing demand for new plants and facility upgrading. Furthermore, this company emphasizes integrated engineering services, and has adopted a multi-regional, multi-industry, diversified strategy, and plans to gradually expand into the biotech, luxury residential, and petrochemical markets. We consequently expect that our revenue and profits have considerable room for growth in 2013.

(4). Major production and sales policies

This company specializes in engineering services, and possesses the attributes of both a service firm and an engineering firm. As a consequence, the market holds our professional technology, engineering experience, reputation for quality, and service record in great esteem. In 2013, we will continue to cooperate with upstream raw material suppliers to ensure that we use only high quality materials from guaranteed sources. We will also maintain our revenue growth by complying closely with customers' needs, maintaining long-term cooperative relationships with customers, and continuing to upgrade our technology and project quality in order to maintain customers' trust and win over new customers. In addition, we will pursue expansion by actively establishing extensive international marketing channels and management resources enabling us to provide individualized service. We will widely recruit outstanding engineering and management manpower. Apart from strengthening the professional training of our engineers and enhancing product technical support and after-sales service standards, we will also cultivate all-round management manpower. Building on the basic framework of our three-in-one strategy, we will establish a full-scale marketing and service system during the coming year. And beyond consolidating our existing share of the domestic market, we will further develop our engineering services market in China, and take advantage of opportunities in the petrochemical market. As we expand into the Southeast Asian engineering services market, we will work to become Asia's leading engineering services brand, and continued to extend the global reach of our organization.

3. Future corporate development strategies

This company's consistent competitive strategy and business philosophy over the past 30 years has been to focus on differentiated engineering service markets and pursue mutual growth with customers through effective, flexible, high-quality, comprehensive service. We continue to thrive in Taiwan's domestic market, and are successfully expanding through the establishment of subsidiaries in China and Southeast Asia. Since the beginning, Acter has been a pioneer in various aspects of industrial upgrading and spatial optimization.

Adapting to the evolving engineering service market, we have pursued a strategy of actively seeking breakthroughs while maintaining down-to-earth service, pursuing innovation while offering ironclad reliability, and employing our accumulated project experience in various industrial fields to enhance our ability to provide highly-sensitive, high quality service. We have found that the accumulation of practical experience is an unsurpassed method of responding to market competition. In order to better provide professional integrated engineering services and actively expand into international markets, we have also sought out partners with

complementary areas of expertise from among multinational firms, and we hope that this strategy will benefit both our brand and our revenue. In view of the fact that the investment environment in Southeast Asia is receiving increasing attention from foreign investors, we have followed our customers by establishing business offices in Vietnam, Singapore, and Malaysia. We expect to enter Indonesia in 2013, and hope to leave our mark on the engineering services market in Southeast Asia.

4. Effect of the external competitive environment, legal and regulatory environment, and overall business environment

As competition between domestic and foreign engineering services firms grows steadily more intense, economies of scale, improved efficiency, and provision of flexible, integrated services are the keys to success. We recruit outstanding manpower locally, and efficiently raise maintenance and operating funds, which are used to promote the company's sustainability and provide a foundation for continued development.

A sound operating constitution and effective use of professional technology are essential means of expanding our project development space and creating new opportunities. Furthermore, in view of the competition in the engineering services industry, being able to quickly secure sources of raw materials and provide customers with fast, flexible, advanced engineering services are key factors ensuring that we can maintain a dominant position in the industry. In view of the circumstances, we will continue to integrate different types of projects, and ceaselessly develop new working methods that can be applied to multiple industries. We are also performing R&D concerning environmental protection and energy conservation issues. The designs of our turnkey projects emphasize compatibility between systems, and we pay close attention to whole-plant systems integration needs and the use of space in a flexible manner in order to meet individualized needs. In order to pursue global expansion and sustainable growth, we do not rule out seeking stock market or over-the-counter listing opportunities in a third location overseas. We hope that pursuing these opportunities will expand this company's local recognition, facilitate recruiting of talented local manpower, and assist in the raising and effective utilization of local funds, enabling us to further our competitive advantage.

With regard to the legal and regulatory environment, we will face many policy, legal, and regulatory changes in 2013, including the formal implementation of IFRS international accounting standards and increased second-generation health insurance premiums. We will regularly review legal changes and the requirements of the competent authority, systematically collect relevant information, and adopt appropriate preparatory measures. We have always maintained an honest, straightforward approach to business, and, in accordance with law, report

and announce relevant corporate information in a timely manner. We have further established an official company website allowing ordinary investors to communicate directly with the company and view relevant information. We have adopted a full-scale corporate governance system, which we have gradually revised in order to protect the environment, protect consumers, and protect investors. We are continuing to make steady efforts to improve in accordance with plans. The long-term prospects of the engineering services market are very favorable, and we are confident that we can continue to increase our profits and maintain our international expansion.

Chairman: Liang, Jing-Li

General Manager: Hsu, Tsong-Chen

Attachment 2.AUDIT COMMITTEE’S REVIEW REPORT

Independent Auditors’ Report

The Board of Directors
Acter Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Acter Co., Ltd. (Acter) and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders’ equity, and cash flows for the years then ended. These consolidated financial statements are the responsibility of the Acter’s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acter Co., Ltd. and subsidiaries as of December 31, 2012 and 2011, and the results of their consolidated operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

Hsinchu, Taiwan (the Republic of China)
February 26, 2013

The accompanying consolidated 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.

The auditors’ report and the accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of, the English and Chinese language auditors’ report and financial statements, the Chinese version shall prevail.

Acter Co., Ltd. and Subsidiaries
Consolidated Balance Sheets
December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

Assets	2012		2011		Liabilities and Stockholders' Equity	2012		2011	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (note 4(a))	\$ 1,934,995	28	1,934,358	29	Short-term borrowings (note 4(h) and 6)	\$ 152,160	2	160,166	2
Available-for-sale financial assets – current (note 4(b))	248,842	4	82,143	1	Notes payable	196,567	3	397,022	6
Notes receivable, net (note 4(c))	257,690	4	280,800	4	Accounts payable	2,051,389	30	1,862,435	28
Accounts receivable, net (note 4(c))	1,718,670	25	1,672,137	25	Payables to related parties (note 5)	-	-	10,272	-
Receivables from related parties (note 5)	6,522	-	340,642	5	Income tax payable	112,817	2	126,235	2
Other receivables from related parties (note 5)	11,931	-	-	-	Unearned sales revenue	702,074	10	719,605	11
Other financial assets – current	84,799	1	123,742	2	Billings on construction-in-progress, net of construction-in-progress (note 4(e) and 5)	560,823	8	513,689	8
Inventories, net (note 4(d))	790,922	11	789,250	12	Deferred income tax liabilities – current (note 4(j))	3,288	-	660	-
Construction-in-progress, net of billings on construction-in-progress (note 4(e) and 5)	1,010,787	15	789,076	12	Accrued expenses and other current liabilities (note 4(k))	<u>259,080</u>	<u>4</u>	<u>244,738</u>	<u>4</u>
Deferred income tax assets – current (note 4(j))	52,710	1	47,594	1		<u>4,038,198</u>	<u>59</u>	<u>4,034,822</u>	<u>61</u>
Restricted assets (note 6)	17,922	-	24,710	-	Other liabilities				
Prepaid for purchases and other current assets	<u>331,499</u>	<u>5</u>	<u>146,337</u>	<u>3</u>	Accrued pension liabilities (note 4(i))	15,891	-	15,794	-
	<u>6,467,289</u>	<u>94</u>	<u>6,230,789</u>	<u>94</u>	Deposit received	312	-	312	-
Investments:					Deferred income tax liability – non-current (note 4(j))	<u>152,913</u>	<u>2</u>	<u>118,393</u>	<u>2</u>
Investments accounted for using equity method (note 4(f))	3,682	-	15,581	-		<u>169,116</u>	<u>2</u>	<u>134,499</u>	<u>2</u>
Financial assets carried at cost – non-current (note 4(b))	<u>6,987</u>	<u>-</u>	<u>35,387</u>	<u>1</u>	Total liabilities	<u>4,207,314</u>	<u>61</u>	<u>4,169,321</u>	<u>63</u>
	<u>10,669</u>	<u>-</u>	<u>50,968</u>	<u>1</u>	Stockholders' equity (note 4(k)):				
Property, plant and equipment (note 5 and 6):					Common stock	<u>461,359</u>	<u>7</u>	<u>461,359</u>	<u>7</u>
Land	151,631	2	151,631	3	Capital surplus	<u>896,599</u>	<u>13</u>	<u>896,599</u>	<u>13</u>
Buildings	153,198	2	87,994	1	Retained earnings:				
Other equipment	<u>87,233</u>	<u>1</u>	<u>66,073</u>	<u>1</u>	Legal reserve	216,384	3	160,418	2
	392,062	5	305,698	5	Special reserve	-	-	11,930	-
Less: accumulated depreciation	(51,611)	(1)	(43,007)	(1)	Unappropriated earnings	<u>1,125,695</u>	<u>16</u>	<u>921,624</u>	<u>14</u>
Prepayments for equipment	<u>-</u>	<u>-</u>	<u>4,842</u>	<u>-</u>		<u>1,342,079</u>	<u>19</u>	<u>1,093,972</u>	<u>16</u>
	<u>340,451</u>	<u>4</u>	<u>267,533</u>	<u>4</u>	Other adjustments to stockholders' equity:				
Intangible assets					Cumulative translation adjustments	11,127	-	34,606	1
Computer software	9,041	-	8,574	-	Unrecognized pension costs (note 4(i))	(2,170)	-	(3,215)	-
Deferred pension cost (note 4 (i))	10,702	-	9,662	-	Unrealized gains on financial instruments	<u>4,608</u>	<u>-</u>	<u>(1,662)</u>	<u>-</u>
Land use rights	<u>36,974</u>	<u>1</u>	<u>38,862</u>	<u>1</u>		<u>13,565</u>	<u>-</u>	<u>29,729</u>	<u>1</u>
	<u>56,717</u>	<u>1</u>	<u>57,098</u>	<u>1</u>	Total stockholders' equity	2,713,602	39	2,481,659	37
Other assets:					Commitments and contingencies (note 7)				
Lease assets (notes 4(g) and 6)	31,550	1	31,895	-					
Refundable deposit	8,710	-	11,761	-					
Other assets – other (note 4 (i) and (j))	<u>5,530</u>	<u>-</u>	<u>936</u>	<u>-</u>					
	<u>45,790</u>	<u>1</u>	<u>44,592</u>	<u>-</u>					
Total assets	\$ <u>6,920,916</u>	<u>100</u>	<u>6,650,980</u>	<u>100</u>	Total liabilities and stockholders' equity	\$ <u>6,920,916</u>	<u>100</u>	<u>6,650,980</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements of Operations

Years ended December 31, 2012 and 2011

(In thousands of New Taiwan dollars, except for earnings per common share)

	2012		2011	
	Amount	%	Amount	%
Operating revenue:				
Construction revenue	\$ 7,355,980	86	7,848,147	92
Less: allowances	<u>(1,824)</u>	-	<u>(901)</u>	-
Net construction revenue (note 5)	7,354,156	86	7,847,246	92
Sales	1,096,735	13	631,383	7
Other operating revenue (note 5)	<u>47,025</u>	<u>1</u>	<u>58,949</u>	<u>1</u>
Net operating revenue	<u>8,497,916</u>	<u>100</u>	<u>8,537,578</u>	<u>100</u>
Operating cost:				
Construction cost (note 5)	6,182,702	73	6,907,150	81
Cost of goods sold (note 4(d) and 5)	896,532	10	510,653	6
Other operating cost	<u>8,996</u>	-	<u>8,390</u>	-
	<u>7,088,230</u>	<u>83</u>	<u>7,426,193</u>	<u>87</u>
Gross profit	<u>1,409,686</u>	<u>17</u>	<u>1,111,385</u>	<u>13</u>
Operating expenses (note 5):				
Selling	95,155	1	92,539	1
General and administrative	310,356	4	251,321	3
Research and development	<u>22,442</u>	-	<u>-</u>	-
	<u>427,953</u>	<u>5</u>	<u>343,860</u>	<u>4</u>
Operating income	<u>981,733</u>	<u>12</u>	<u>767,525</u>	<u>9</u>
Non-operating income and gains:				
Interest income	12,719	-	7,141	-
Gain on disposal of investment, net	5,323	-	2,500	-
Foreign exchange gain, net	-	-	6,251	-
Gain on reversal of bad debts (note 4(c))	-	-	14,171	-
Other income (note 5)	<u>12,774</u>	-	<u>11,896</u>	-
	<u>30,816</u>	-	<u>41,959</u>	-
Non-operating expenses and loss:				
Interest expense	3,795	-	4,062	-
Investment loss recognized by equity method (note 4(f))	17,265	-	2,944	-
Foreign exchange loss, net	5,209	-	-	-
Impairment loss of financial instruments (note 4 (b))	28,659	1	-	-
Other loss	<u>2,370</u>	-	<u>2,319</u>	-
	<u>57,298</u>	<u>1</u>	<u>9,325</u>	-
Income before income taxes	955,251	11	800,159	9
Income tax expenses (note 4(j))	<u>245,718</u>	<u>3</u>	<u>240,495</u>	<u>2</u>
Net income	<u>\$ 709,533</u>	<u>8</u>	<u>559,664</u>	<u>7</u>
	Before	After	Before	After
	taxes	taxes	taxes	taxes
Earnings per share (NT\$) (note 4(l)):				
Basic earnings per share	\$ <u>20.71</u>	<u>15.38</u>	<u>19.01</u>	<u>13.30</u>
Diluted earnings per share	\$ <u>20.55</u>	<u>15.26</u>	<u>18.90</u>	<u>13.22</u>

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Changes in Stockholders' Equity
Years ended December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

	<u>Retained earnings</u>					<u>Other adjustments to stockholders' equity</u>			<u>Total stockholders' equity</u>
	<u>Common stock</u>	<u>Capital surplus</u>	<u>Legal reserve</u>	<u>Special reserve</u>	<u>Unappropriated earnings</u>	<u>Cumulative translation adjustments</u>	<u>Unrecognized pension costs</u>	<u>Unrealized gains on financial instruments</u>	
Balance at January 1, 2011	\$ 415,359	539,869	87,804	-	861,862	(15,067)	(2,711)	5,848	1,892,964
Appropriation of earnings (note 1):									
Legal reserve	-	-	72,614	-	(72,614)	-	-	-	-
Special reserve	-	-	-	11,930	(11,930)	-	-	-	-
Cash dividends	-	-	-	-	(415,358)	-	-	-	(415,358)
Issuance of common stock for cash and compensation cost arising from employee subscription rights	46,000	356,730	-	-	-	-	-	-	402,730
Unrealized gains on financial instruments	-	-	-	-	-	-	-	(7,510)	(7,510)
Unrecognized pension cost	-	-	-	-	-	-	(504)	-	(504)
Translation adjustment	-	-	-	-	-	49,673	-	-	49,673
Net income for 2011	-	-	-	-	559,664	-	-	-	559,664
Balance as of December 31, 2011	\$ 461,359	896,599	160,418	11,930	921,624	34,606	(3,215)	(1,662)	2,481,659
Appropriation of earnings (note 2):									
Legal reserve	-	-	55,966	-	(55,966)	-	-	-	-
Special reserve	-	-	-	(11,930)	11,930	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	-	-	-	(461,358)
Unrealized gains on financial instruments	-	-	-	-	-	-	-	6,270	6,270
Unrecognized pension cost	-	-	-	-	-	-	1,045	-	1,045
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	-	-	(68)	-	-	-	(68)
Translation adjustment	-	-	-	-	-	(23,479)	-	-	(23,479)
Net income for 2012	-	-	-	-	709,533	-	-	-	709,533
Balance as of December 31, 2012	\$ 461,359	896,599	216,384	-	1,125,695	11,127	(2,170)	4,608	2,713,602

Note 1: Remuneration to directors and supervisors and employees' bonuses in the amount of \$19,248 and \$14,070, respectively, had been charged against earnings of 2010.

Note 2: Remuneration to directors and supervisors and employees' bonuses in the amount of \$14,428 and \$17,232, respectively, had been charged against earnings of 2011.

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries
Consolidated Statements of Cash Flows
Years ended December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

	2012	2011
Cash flows from operating activities:		
Net income	\$ 709,533	559,664
Adjustments:		
Gain on disposal of investment	(5,323)	(2,500)
Provision for (reversal of) bad debt expense	18,064	(14,171)
Provision for (reversal of) inventory obsolescence	100	(2,035)
Investment loss recognized by equity method	17,265	2,944
Depreciation and amortization	20,394	14,115
Impairment loss of financial instruments	28,659	-
Compensation cost recognized of employee subscription rights	-	4,830
Deferred income tax expense	36,837	19,157
Deferred pension cost	(281)	1,023
Adjustment for other non-cash-related losses, net	511	21
Net change in operating assets and liabilities:		
Notes receivable and accounts receivable (including related parties)	293,135	(883,129)
Other receivable from related parties	(11,931)	-
Inventories	(1,772)	(476,788)
Net construction-in-progress	(174,577)	117,849
Other financial assets and other current assets	(178,910)	(72,077)
Notes payable and accounts payable (including related parties)	(21,773)	484,820
Income tax payable	(13,418)	14,790
Unearned sales revenue	(17,531)	506,703
Accrued expenses and other current liabilities	14,343	55,244
Cash provided by operating activities	713,325	330,460
Cash flows from investing activities:		
Disposal (purchase) of available-for-sale financial assets	(155,421)	535,964
Decrease in restricted assets	6,788	71,704
Increase in investment accounted for using equity method	(5,857)	(17,806)
Increase in financial assets carried at cost	-	(24,000)
Acquisition of property, plant and equipment	(88,490)	(201,778)
Disposal of property, plant and equipment	61	761
Acquisition of computer software	(3,535)	(7,351)
Acquisition of land use right	-	(37,015)
Decrease in refundable deposit(included construction refundable deposit)	35,742	28,777
Increase in other assets	(7,115)	(947)
Cash provided by (used in) investing activities	(217,827)	348,309
Cash flows from financing activities:		
Increase (decrease) in short-term borrowings	(8,006)	139,413
Cash dividends	(461,358)	(415,358)
Issuance of common stock for cash	-	397,900
Net cash provided by (used in) financing activities	(469,364)	121,955
Effect of exchange rate changes	(25,497)	51,743
Net increase in cash and equivalents	637	852,467
Cash and equivalents at beginning of year	1,934,358	1,081,891
Cash and equivalents at end of year	\$ 1,934,995	\$ 1,934,358
Supplemental disclosure of cash flow information:		
Interest paid	\$ 4,064	4,062
Income tax paid	\$ 221,710	218,043

See accompanying notes to consolidated financial statements.

English Translation of Audit Report Originally Issued in Chinese
Independent Auditors' Report

The Board of Directors
Acter Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Acter Co., Ltd. (Acter) and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended. These financial statements are the responsibility of the Acter's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Those standards and regulations require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Acter Co., Ltd. and subsidiaries as of December 31, 2012 and 2011, and the results of their consolidated operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China.

We have also audited the financial statements of Acter as of and for the years ended December 31, 2012 and 2011, and have expressed an unqualified opinion on such financial statements.

KPMG Certified Public Accountants
Hsinchu, Taiwan (Republic of China)

February 26, 2013

See accompanying notes to consolidated financial statements.

Acter Co., Ltd.
Balance Sheets
December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

Assets	2012		2011		Liabilities and Stockholders' Equity	2012		2011	
	Amount	%	Amount	%		Amount	%	Amount	%
Current assets:					Current liabilities:				
Cash and cash equivalents (note 4(a))	\$ 1,036,362	24	856,745	23	Notes payable	\$ 31,954	1	75,743	2
Available-for-sale financial assets – current (note 4(b))	201,286	5	40,089	1	Accounts payable	1,053,216	24	639,771	17
Notes receivable, net (note 4(c))	122,535	3	199,077	6	Payables to related parties (note 5)	5,314	-	2,009	-
Accounts receivable, net (note 4(c))	628,394	14	380,616	10	Income tax payable	62,365	2	33,007	1
Receivables from related parties (note 5)	175,403	4	239,411	7	Billings on construction-in-progress, net of construction-in-progress (note 4(d) and 5)	224,617	5	205,380	6
Other receivables from related parties (note 5)	12,949	-	16,633	-	Accrued expenses and other current liabilities (note 4(i))	<u>144,351</u>	<u>3</u>	<u>146,412</u>	<u>4</u>
Other financial assets – current	13,297	-	12,726	-		<u>1,521,817</u>	<u>35</u>	<u>1,102,322</u>	<u>30</u>
Construction-in-progress, net of billings on construction-in-progress (note 4(d) and 5)	442,488	10	343,226	10	Other liabilities				
Deferred income tax assets – current (note 4(h))	6,258	-	7,800	-	Accrued pension liabilities (note 4(g))	9,786	-	11,466	-
Restricted assets (note 6)	1,200	-	6,244	-	Deposit received	312	-	312	-
Other current assets	<u>54,359</u>	<u>2</u>	<u>35,816</u>	<u>1</u>	Deferred income tax liability – non-current (note 4(h))	<u>133,075</u>	<u>3</u>	<u>105,766</u>	<u>3</u>
	<u>2,694,531</u>	<u>62</u>	<u>2,138,383</u>	<u>58</u>		<u>143,173</u>	<u>3</u>	<u>117,544</u>	<u>3</u>
Investments:					Total liabilities	<u>1,664,990</u>	<u>38</u>	<u>1,219,866</u>	<u>33</u>
Investments accounted for using equity method (note 4(e))	1,466,706	34	1,317,389	36	Stockholders' equity (note 4(i)):				
Financial assets carried at cost – non-current (note 4(b))	<u>6,987</u>	<u>-</u>	<u>35,387</u>	<u>1</u>	Common stock	<u>461,359</u>	<u>11</u>	<u>461,359</u>	<u>12</u>
	<u>1,473,693</u>	<u>34</u>	<u>1,352,776</u>	<u>37</u>	Capital surplus	<u>896,599</u>	<u>20</u>	<u>896,599</u>	<u>24</u>
Property, plant and equipment (note 5 and 6):					Retained earnings:				
Land	107,113	2	107,113	3	Legal reserve	216,384	5	160,418	5
Buildings	47,852	1	47,852	1	Special reserve	-	-	11,930	-
Other equipment	<u>18,610</u>	<u>-</u>	<u>11,875</u>	<u>-</u>	Unappropriated earnings	<u>1,125,695</u>	<u>26</u>	<u>921,624</u>	<u>25</u>
	173,575	3	166,840	4		<u>1,342,079</u>	<u>31</u>	<u>1,093,972</u>	<u>30</u>
Less: accumulated depreciation	(10,110)	-	(8,500)	-	Other adjustments to stockholders' equity:				
Prepayments for equipment	<u>-</u>	<u>-</u>	<u>3,498</u>	<u>-</u>	Cumulative translation adjustments	11,127	-	34,606	1
	<u>163,465</u>	<u>3</u>	<u>161,838</u>	<u>4</u>	Unrecognized pension costs (note 4(g))	(2,170)	-	(3,215)	-
Intangible assets					Unrealized gains on financial instruments	<u>4,608</u>	<u>-</u>	<u>(1,662)</u>	<u>-</u>
Computer software	5,953	-	5,839	-		<u>13,565</u>	<u>-</u>	<u>29,729</u>	<u>1</u>
Deferred pension cost (note 4 (g))	<u>6,430</u>	<u>-</u>	<u>6,769</u>	<u>-</u>	Total stockholders' equity	2,713,602	62	2,481,659	67
	<u>12,383</u>	<u>-</u>	<u>12,608</u>	<u>-</u>	Commitments and contingencies (note 5 and not 7)				
Other assets:									
Lease assets (notes 4(f) and 6)	31,550	1	31,895	1	Total liabilities and stockholders' equity	<u>\$ 4,378,592</u>	<u>100</u>	<u>3,701,525</u>	<u>100</u>
Refundable deposit	<u>2,970</u>	<u>-</u>	<u>4,025</u>	<u>-</u>					
	<u>34,520</u>	<u>1</u>	<u>35,920</u>	<u>1</u>					
Total assets	<u>\$ 4,378,592</u>	<u>100</u>	<u>3,701,525</u>	<u>100</u>					

See accompanying notes to financial statements.

Acter Co., Ltd.

Statements of Operations

Years ended December 31, 2012 and 2011

(In thousands of New Taiwan dollars, except for earnings per common share)

	2012		2011	
	Amount	%	Amount	%
Operating revenue:				
Construction revenue	\$ 3,310,316	100	3,427,994	100
Less: allowances	(1,823)	-	(376)	-
Net operating revenue(note 5)	<u>3,308,493</u>	<u>100</u>	<u>3,427,618</u>	<u>100</u>
Operating cost(note 5)	<u>2,660,320</u>	<u>80</u>	<u>3,023,892</u>	<u>88</u>
Gross profit	<u>648,173</u>	<u>20</u>	<u>403,726</u>	<u>12</u>
Operating expenses:				
Selling	17,367	1	27,231	1
General and administrative	120,779	4	101,666	3
	<u>138,146</u>	<u>5</u>	<u>128,897</u>	<u>4</u>
Operating income	<u>510,027</u>	<u>15</u>	<u>274,829</u>	<u>8</u>
Non-operating income and gains:				
Interest income (note 5)	7,651	-	2,249	-
Investment gain recognized by equity method (note 4(e))	338,299	11	382,057	11
Gain on disposal of investment, net	2,746	-	1,903	-
Other income (note 4(k)and note5)	6,462	-	4,203	-
	<u>355,158</u>	<u>11</u>	<u>390,412</u>	<u>11</u>
Non-operating expenses and loss:				
Foreign exchange loss, net	1,670	-	679	-
Impairment loss of financial instruments (note 4 (b))	28,594	1	-	-
Other loss (note 4(k))	713	-	667	-
	<u>30,977</u>	<u>1</u>	<u>1,346</u>	<u>-</u>
Income before income taxes	<u>834,208</u>	<u>25</u>	<u>663,895</u>	<u>19</u>
Income tax expenses (note 4(h))	<u>124,675</u>	<u>4</u>	<u>104,231</u>	<u>3</u>
Net income	<u>\$ 709,533</u>	<u>21</u>	<u>559,664</u>	<u>16</u>
			Before taxes	After taxes
Earnings per share (NT\$) (note 4(j)):				
Basic earnings per share	\$ <u>18.08</u>	<u>15.38</u>	<u>15.77</u>	<u>13.30</u>
Diluted earnings per share	\$ <u>17.94</u>	<u>15.26</u>	<u>15.68</u>	<u>13.22</u>

See accompanying notes to financial statements.

Acter Co., Ltd.

Statements of Changes in Stockholders' Equity

Years ended December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

	Retained earnings					Other adjustments to stockholders' equity			Total stockholders' equity
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Cumulative translation adjustments	Unrecognized pension costs	Unrealized gains on financial instruments	
Balance at January 1, 2011	\$ 415,359	539,869	87,804	-	861,862	(15,067)	(2,711)	5,848	1,892,964
Appropriation of earnings (note 1):									
Legal reserve	-	-	72,614	-	(72,614)	-	-	-	-
Special reserve	-	-	-	11,930	(11,930)	-	-	-	-
Cash dividends	-	-	-	-	(415,358)	-	-	-	(415,358)
Issuance of common stock for cash and compensation cost arising from employee subscription rights	46,000	356,730	-	-	-	-	-	-	402,730
Unrealized gains on financial instruments	-	-	-	-	-	-	-	(3,098)	(3,098)
Unrealized gains on financial instruments adjustment by equity method	-	-	-	-	-	-	-	(4,412)	(4,412)
Unrecognized pension cost	-	-	-	-	-	-	(504)	-	(504)
Translation adjustment	-	-	-	-	-	49,673	-	-	49,673
Net income for 2011	-	-	-	-	559,664	-	-	-	559,664
Balance as of December 31, 2011	<u>\$ 461,359</u>	<u>896,599</u>	<u>160,418</u>	<u>11,930</u>	<u>921,624</u>	<u>34,606</u>	<u>(3,215)</u>	<u>(1,662)</u>	<u>2,481,659</u>
Appropriation of earnings (note 2):									
Legal reserve	-	-	55,966	-	(55,966)	-	-	-	-
Special reserve	-	-	-	(11,930)	11,930	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	-	-	-	(461,358)
Unrealized gains on financial instruments	-	-	-	-	-	-	-	3,708	3,708
Unrealized gains on financial instruments adjustment by equity method	-	-	-	-	-	-	-	2,562	2,562
Unrecognized pension cost	-	-	-	-	-	-	1,428	-	1,428
Unrecognized pension cost adjustment by equity method	-	-	-	-	-	-	(383)	-	(383)
Adjustment arising from changes in percentage of ownership in equity method investees	-	-	-	-	(68)	-	-	-	(68)
Translation adjustment	-	-	-	-	-	(23,479)	-	-	(23,479)
Net income for 2012	-	-	-	-	709,533	-	-	-	709,533
Balance as of December 31, 2012	<u>\$ 461,359</u>	<u>896,599</u>	<u>216,384</u>	<u>-</u>	<u>1,125,695</u>	<u>11,127</u>	<u>(2,170)</u>	<u>4,608</u>	<u>2,713,602</u>

Note 1: Remuneration to directors and supervisors and employees' bonuses in the amount of \$19,248 and \$14,070, respectively, had been charged against earnings of 2010.

Note 2: Remuneration to directors and supervisors and employees' bonuses in the amount of \$14,428 and \$17,232, respectively, had been charged against earnings of 2011.

See accompanying notes to financial statements.

Acter Co., Ltd.
Statements of Cash Flows
Years ended December 31, 2012 and 2011
(In thousands of New Taiwan dollars)

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Net income	\$ 709,533	559,664
Adjustments:		
Gain on disposal of investment	(2,746)	(1,903)
Provision for (reversal of) bad debt expense	3,632	5,548
Investment gain recognized by equity method	(338,299)	(382,057)
Cash dividend received from investments accounted for under equity method	168,467	53,396
Depreciation and amortization	6,502	3,684
Deferred income tax expense	33,660	29,398
Impairment loss of financial instruments	28,594	-
Compensation cost recognized of employee subscription rights	-	4,830
Deferred pension cost	(252)	4,584
Adjustment for other non-cash-related losses, net	362	104
Net change in operating assets and liabilities:		
Notes receivable and accounts receivable (including related parties)	(110,860)	(7,763)
Net construction-in-progress	(80,025)	138,604
Other financial assets and other current assets	(18,450)	(5,505)
Notes payable and accounts payable (including related parties)	372,961	(110,528)
Income tax payable	29,358	(48,870)
Accrued expenses and other current liabilities	<u>(2,060)</u>	<u>24,125</u>
Cash provided by operating activities	<u>800,377</u>	<u>267,311</u>
Cash flows from investing activities:		
Disposal (purchase) of available-for-sale financial assets	(154,743)	376,146
Increase Other receivable from related parties	3,684	(16,543)
Decrease in restricted assets	5,044	11,446
Increase in investment accounted for using equity method	(5,857)	(120,317)
Increase in financial assets carried at cost	-	(24,000)
Acquisition of property, plant and equipment	(5,992)	(121,251)
Acquisition of computer software	(2,268)	(1,830)
Decrease in refundable deposit(included construction refundable deposit)	<u>730</u>	<u>14,502</u>
Cash provided by (used in) investing activities	<u>(159,402)</u>	<u>118,153</u>
Cash flows from financing activities:		
Cash dividends	(461,358)	(415,358)
Issuance of common stock for cash	<u>-</u>	<u>397,900</u>
Net cash provided by (used in) financing activities	<u>(469,358)</u>	<u>(17,458)</u>
Net increase in cash and equivalents	179,617	368,006
Cash and equivalents at beginning of year	<u>856,745</u>	<u>488,739</u>
Cash and equivalents at end of year	<u>\$ 1,036,362</u>	<u>856,745</u>
Supplemental disclosure of cash flow information:		
Interest paid	<u>\$ 6</u>	<u>4</u>
Income tax paid	<u>\$ 60,177</u>	<u>123,704</u>

See accompanying notes to financial statements.

Attachment 3.SUPERVISOR'S REVIEW REPORT

Acter Co., Ltd. Supervisor's Review Report

This company's 2012 business report, financial statement, and earnings distribution proposal have been prepared and issued by the board of directors. Of these, the financial statement has been audited by the KPMG under commission to the board, and the auditor has issued an audit report giving an unqualified opinion. The foregoing operating report, financial statement, and earnings distribution proposal have been reviewed by the supervisors, who have found them to comply with relevant requirements of the Company Act. The foregoing report has been prepared in accordance with Article 219 of the Company Act.

2013 shareholders meeting of Acter Co., Ltd.

Acter Co., Ltd.

Supervisor: Wu, Bi-Huei

Supervisor: Yeh, Huei-Sing

Supervisor: Wang, Yun- Chun

February 26, 2013

**Attachment 4. COMPARISON TABLE FOR THE ETHICAL CORPORATE
MANAGEMENT OPERATING PROCEDURES AND CONDUCT GUIDE**

ARTICLE	AFTER THE REVISION	BEFORE THE REVISION
<p>Article 11: Handling procedures for charitable donations and sponsorships</p>	<p>When a charitable donation or sponsorship is provided by this company, it shall be handled in accordance with the following rules, shall be reported to the CEO and the responsible unit of this company, and must be reported to the board of directors for approval when the amount exceeds <u>the standard amount specified in the "External Donation Guidelines."</u>NT\$500,000.</p> <ol style="list-style-type: none"> 1. Shall meet local regulations of the place of business. 2. Written records shall be kept of relevant decisions. 3. The recipient of a charitable donation must be a charitable organization, and the donation may not be used as a disguise for a bribe. 4. Because the gain from a sponsorship should be clear and reasonable, the receiver may not be involved in business with this company or may not have conflict of interest with the employees of this company. 5. After a charitable donation or sponsorship has been made, this company shall confirm the use of the money is consistent with the purpose of the donation. 	<p>When a charitable donation or sponsorship is provided by this company, it shall be handled in accordance with the following rules, shall be reported to the CEO and the responsible unit of this company, and must be reported to the board of directors for approval when the amount exceeds NT\$500,000.</p> <ol style="list-style-type: none"> 1. Shall meet local regulations of the place of business. 2. Written records shall be kept of relevant decisions. 3. The recipient of a charitable donation must be a charitable organization, and the donation may not be used as a disguise for a bribe. 4. Because the gain from a sponsorship should be clear and reasonable, the receiver may not be involved in business with this company or may not have conflict of interest with the employees of this company. 5. After a charitable donation or sponsorship has been made, this company shall confirm the use of the money is consistent with the purpose of the donation.
<p>Article 26: Drafting and revision dates</p>	<p>This <u>operating procedure and conduct guide</u> was drafted on December 6, 2011. <u>This operating procedure and conduct guide was revised on February 26, 2013.</u></p>	<p>This procedure was drafted on December 6, 2011.</p>

**Attachment 5. COMPARISON TABLE FOR THE RULES OF PROCEDURE
FOR SHAREHOLDER MEETINGS**

Article	AFTER THE REVISION	BEFORE THE REVISION
Article 8	<p>1.This company must explicitly state the shareholders' registration period, registration location, and other necessary information in the meeting notice.</p> <p>2.The registration period in the foregoing paragraph must be at least 30 min. before the meeting begins. The registration location must be clearly marked, and competent personnel must be assigned to manage relevant details.</p> <p>3..Shareholders or shareholders' proxies (termed "shareholders" below) may attend the shareholders meeting after presenting attendance passes, attendance sign-in cards, or other documents permitting attendance. Persons seeking letters of authorization should also bring personal identification documents to facilitate checking.</p> <p>4.<u>4.</u>This Corporation shall furnish the attending shareholders or their proxies (collectively, "shareholders"), with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>5.<u>2.</u>This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>3. Shareholders shall attend a shareholder meeting by presentation of the attendance cards, signing on the attendance sheet or other attendance justifications. In the event of a proxy solicitor, identification papers should be brought for verification.</p> <p>6.<u>4.</u>When the government or a juristic person is a shareholder, it may be represented by more than one representative at a shareholders meeting. When a juristic person is appointed to attend as proxy, it may designate only one person to represent it</p>	<p>1.This Corporation shall furnish the attending shareholders or their proxies (collectively, "shareholders"), with an attendance book to sign, or attending shareholders may hand in a sign-in card in lieu of signing in.</p> <p>2.This Corporation shall furnish attending shareholders with the meeting agenda book, annual report, attendance card, speaker's slips, voting slips, and other meeting materials. Where there is an election of directors or supervisors, pre-printed ballots shall also be furnished.</p> <p>3. Shareholders shall attend a shareholder meeting by presentation of the attendance cards, signing on the attendance sheet or other attendance justifications. In the event of a proxy solicitor, identification papers should be brought for verification..</p>

Article	AFTER THE REVISION	BEFORE THE REVISION
	in the meeting.	
Articl 9	<p>1.If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair.</p> <p>2.In the foregoing paragraph, a standing director or director may serve as the chairman; a standing director or director who has held that position for at least six months and understands the company's financial affairs may act as chairman. Likewise when the chairman is the representative of a juridical person director.</p> <p><u>3.2.</u> It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.</p>	<p>1. If a shareholders meeting is convened by the board of directors, the meeting shall be chaired by the chairperson of the board. When the chairperson of the board is on leave or for any reason unable to exercise the powers of the chairperson, the vice chairperson shall act in place of the chairperson; if there is no vice chairperson or the vice chairperson also is on leave or for any reason unable to exercise the powers of the vice chairperson, the chairperson shall appoint one of the managing directors to act as chair, or, if there are no managing directors, one of the directors shall be appointed to act as chair. Where the chairperson does not make such a designation, the managing directors or the directors shall select from among themselves one person to serve as chair</p> <p>2. It is advisable that shareholders meetings convened by the board of directors be attended by a majority of the directors.</p>
Articl 15	<p>10.Vote counting shall be done in public in the place where the shareholder meeting is held. <u>conducted in public at the place of the shareholders meeting.</u> The results of <u>and</u> voting results shall be reported on-site immediately and recorded in writing.</p>	<p>10.Vote counting shall be done in public in the place where the shareholder meeting is held. The results of voting shall be reported on site and recorded.</p>
Articl 16	<p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately. <u>Include the list elected the director and supervisor.</u></p>	<p>The election of directors or supervisors at a shareholders meeting shall be held in accordance with the applicable election and appointment rules adopted by this Corporation, and the voting results shall be announced on-site immediately.</p>

Article	AFTER THE REVISION	BEFORE THE REVISION
Article 22	<p>These rules were established on 3 May 2005.</p> <p>...</p> <p>These rules were amended on 18 June 2012.</p> <p>These rules were amended on 19 June 2013.</p>	<p>These rules were established on 3 May 2005.</p> <p>...</p> <p>These rules were amended on 18 June 2012.</p>

Attachment 6.COMPARISON TABLE FOR THE PROCEDURE FOR OPERATIONAL PROCEDURES FOR LOANING OF COMPANY FUNDS

Article	AFTER THE REVISION	BEFORE THE REVISION
Article 1	The company established this procedure in accordance with Article 36-1 of the Securities Transactions Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission— of the Executive Yuan . Any funds lending by the company to any person shall be done in accordance with this procedure.	The company established this procedure in accordance with Article 36-1 of the Securities Transactions Act and the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan”. Any funds lending by the company to any person shall be done in accordance with this procedure.
Article 3	Loaning of company funds may be conducted between among companies whose 100% voting shares are directly or indirectly held by the company. Subsidiary and parent company referred to shall be determined in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers Financial Accounting Standards 5 and 7 published by the Accounting Research and Development Foundation of the R.O.C. "net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers .	Loaning of company funds may be conducted between among companies whose 100% voting shares are directly or indirectly held by the company. Subsidiary and parent company referred to shall be determined in accordance with Financial Accounting Standards 5 and 7 published by the Accounting Research and Development Foundation of the R.O.C.
Article 4	4、Loaning of company funds among overseas companies whose 100% voting shares are directly or indirectly held by the company is not subject to the restrictions under the previous three sections. The aggregate amount of loans and the maximum amount permitted to a single borrower shall each be prescribed separately for business transactions and for short-term	4、Loaning of company funds among overseas companies whose 100% voting shares are directly or indirectly held by the company is not subject to the restrictions under the previous three sections

Article	AFTER THE REVISION	BEFORE THE REVISION
Article 15	<p>financing respectively.</p> <p>2、The company shall evaluate the funds lending situation based on generally accepted accounting rules and make appropriate bad debt provision. Relevant information shall also be disclosed in the financial reports. Relevant information shall be provided to the certifying accountant to perform the necessary audit procedure.</p>	<p>2、The company shall evaluate the funds lending situation based on generally accepted accounting rules and make appropriate bad debt provision. Relevant information shall also be disclosed in the financial reports. Relevant information shall be provided to the certifying accountant to perform the necessary audit procedure.</p>
Article 16	<p>For publicly traded companies, if the balance of funds lending reaches any of the following thresholds, a public announcement shall be made within 2 days commencing immediately from the date of occurrence: “Date of occurrence” in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</p>	<p>2.For publicly traded companies, if the balance of funds lending reaches any of the following thresholds, a public announcement shall be made within 2 days from the date of occurrence:</p>
Article 23	<p>This procedure was established on 3 May 2005. The first amendment to this procedure was made on 16 June 2009. The second amendment to this procedure was made on 10 June 2010. The third amendment to this procedure was made on 15 June 2011 The fourth amendment to this procedure was made on 19 June 20121</p>	<p>This procedure was established on 3 May 2005. The first amendment to this procedure was made on 16 June 2009. The second amendment to this procedure was made on 10 June 2010. The third amendment to this procedure was made on 15 June 2011.</p>

Attachment 7.COMPARISON TABLE FOR THE PROCEDURE FOR ENDORSEMENTS AND GUARANTEES

Article	AFTER THE REVISION	BEFORE THE REVISION
Article 1	<p>This procedure is established in accordance with Article 36-1 of the Securities Transaction Act and the “Guidelines for Funds Lending, Endorsement and Guarantee by Publicly Traded Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan by order (91) Tai-Cai-Zhen (6) Zhi No. 0910161919 for the purpose of ensuring shareholder interest, sound financial management and reduction of operational risk. Any endorsement or guarantee by the company shall be done in accordance with this procedure.</p>	<p>This procedure is established in accordance with Article 36-1 of the Securities Transaction Act and the “Guidelines for Funds Lending, Endorsement and Guarantee by Publicly Traded Companies” by the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan by order (91) Tai-Cai-Zhen (6) Zhi No. 0910161919 for the purpose of ensuring shareholder interest, sound financial management and reduction of operational risk. Any endorsement or guarantee by the company shall be done in accordance with this procedure.</p>
Article 4	<p>Parent and subsidiary shall be determined in accordance with <u>in these Regulations shall be as determined under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u>provisions under Financial Accounting Standards 5 and 7.</p> <p><u>"net worth" in these Regulations means the balance sheet equity attributable to the owners of the parent company under the Regulations Governing the Preparation of Financial Reports by Securities Issuers.</u></p>	<p>Parent and subsidiary shall be determined in accordance with provisions under Financial Accounting Standards 5 and 7.</p>
Article 5	<p>Any <u>single</u> endorsement and guarantee between parent companies and subsidiaries below NT\$1 Billion (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.</p>	<p>Any endorsement and guarantee between parent companies and subsidiaries below NT\$1 Billion (inclusive) may be executed by the chairman first with the authorization from the board of directors and then submitted to the board of directors for ratification.</p>
Article 9	<p>2.After the company becomes a publicly traded company, when the balance amount of endorsement and guarantee reaches one of the following thresholds, a public announcement shall be made within 2 days <u>commencing immediately</u> from the date of occurrence.</p> <p>(3) Balance amount of any endorsement and guarantee by the company and its subsidiaries to any single enterprise reaches NT\$10 Million and the combined balance amount of endorsement and guarantee, long term investment and funds lending to such enterprise reaches 30% of the net value on</p>	<p>2.After the company becomes a publicly traded company, when the balance amount of endorsement and guarantee reaches one of the following thresholds, a public announcement shall be made within 2 days from the date of occurrence.</p> <p>(3) Balance amount of any endorsement and guarantee by the company and its subsidiaries to any single enterprise reaches NT\$10 Million and the combined balance amount of endorsement and guarantee, long term investment and funds lending to such enterprise reaches 30% of the net value on the company’s latest financial statements.</p>

Article	AFTER THE REVISION	BEFORE THE REVISION
	<p>the company's latest financial statements.</p> <p>...</p> <p><u>5. "Date of occurrence" in these Regulations means the date of contract signing, date of payment, dates of boards of directors resolutions, or other date that can confirm the counterparty and monetary amount of the transaction, whichever date is earlier.</u></p>	
Article 11	<p>The subsidiary shall prepare an endorsement and guarantee detail table by the 8th day of each month and such table shall be submitted to the company <u>according to Regulations on the Management of subsidiary.</u></p>	<p>The subsidiary shall prepare an endorsement and guarantee detail table by the 8th day of each month and such table shall be submitted to the company.</p>
Article 13	<p>2.The finance department shall prepare a detailed table about the guarantee matters that occurred or cancelled during each month to facilitate control, follow-up and public announcements. In addition, probable loss from the endorsement and guarantee shall be evaluated or recognized, and the endorsement and guarantee information shall be properly disclosed in the financial reports in accordance with Financial Accounting Standard No. 9 and relevant information shall be provided to the certifying accountant to execute necessary audit procedure.</p> <p>5.If the beneficiary of the endorsement and guarantee is a subsidiary with net value that is less than 1/2 of the paid-in funds, the subsequent relevant control measures shall be specified and the control measures shall be reported to the following board of directors.</p> <p><u>In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under subparagraph 11 of the preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</u></p>	<p>2.The finance department shall prepare a detailed table about the guarantee matters that occurred or cancelled during each month to facilitate control, follow-up and public announcements. In addition, probable loss from the endorsement and guarantee shall be evaluated or recognized, and the endorsement and guarantee information shall be properly disclosed in the financial reports in accordance with Financial Accounting Standard No. 9 and relevant information shall be provided to the certifying accountant to execute necessary audit procedure.</p> <p>5.If the beneficiary of the endorsement and guarantee is a subsidiary with net value that is less than 1/2 of the paid-in capital, the subsequent relevant control measures shall be specified and the control measures shall be reported to the following board of directors.</p>
Article 16	<p>This procedure was made on 3 May 2005.... The third amendment to this procedure was made on 10 June 2010.<u>The fourth amendment to this procedure was made on 19 June 2013.</u></p>	<p>This procedure was made on 3 May 2005.... The third amendment to this procedure was made on 10 June 2010.</p>

**Attachment 8.COMPARISON TABLE FOR THE PROCEDURE FOR ACQUISITION
AND DISPOSAL OF ASSETS**

Aritcle	AFTER THE REVISION	BEFORE THE REVISION
Aritcle 6	4. Authorized Amount and Level Any investment in subsidiaries or disposal of shareholding thereof for operational purpose <u>single transaction amount reaching NT\$30 Million or above shall be submitted to the board of directors for approval. The chairman is authorized to approval transactions less than NT\$30 Million. Transactions amount exceeding NT\$30 Million shall be ratified at the next the board of directors meeting. shall be submitted to the board of directors for approval</u>	4. Authorized Amount and Level Any investment in subsidiaries or disposal of shareholding thereof for operational purpose shall be submitted to the board of directors for approval
Aritcle 19	This procedure was established on 3 May 2005.... <u>This procedure was amended on 19 June 2013.</u>	This procedure was established on 3 May 2005....