

Acter Co., Ltd.



## 2014 Annual General Shareholders' Meeting Minutes

**Time and Date** : 09:00 a.m. on Wednesday, 18 June, 2014

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

Total outstanding Acter shares : 46,135,819 shares

Total shares represented by shareholders present in person or by proxy : 24,100,971 shares

Percentage of shares held by shareholders present in person or by proxy : 52.24%

**Chairman**: Liang, Chin-Li

Recorder : Huang, Tzu-Yen

**Attendee** : Yang, Jung-Tang , Director

Hu, Tai-Tsen , Director

Hsu, Chung-Cheng, Director

Kao, Hsin-Ming , Director

Chao, Rong-Shiang, Independent Director

Wang, Pai-Lu, Independent Director

Wu, Pi-Huei, Supervisor

Yeh, Hui-Hsin, Independent Supervisor

- 1. 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.
- 2. Chairman Address : ( omitted )**
- 3. Management Presentations**

**Report No. 1** : 2013 Business Report (proposed by the Board of Directors)

**Explanation** : The 2013 Business Report is attached as Attachment 1 and Attachment 2.

**Report No. 2 :** Supervisor's Review Report on the 2013 Financial Statements  
(proposed by the Board of Directors)

**Explanation:** The 2013 Supervisor's Review Report is attached as Attachment 3.

#### **4. Proposals**

**Proposal No. 1 :** Adoption of the 2013 Business Report and Financial Statements  
(proposed by the Board of Directors)

**Explanation :**

- (1) Acter Company's Financial Statements, including the balance sheet, statement of comprehensive income, statement of change in equity, and statement of cash flows, were audited by independent auditors, Wu, Whe-Land CPA and Chen, Cheng-Hsueh CPA of KPMG Firm. Also Business Report and Financial Statements have been approved by the Board held on Feb. 24, 2014 and examined by the supervisors of Acter Company.
- (2) The 2013 Business Report, independent auditors' report, and the above-mentioned Financial Statements are attached as, Attachment 1 and Attachment 2.

**Voting Results :**

24,041,971 sharers were represent at the time of voting;  
24,041,971 shares were voted for the proposal ; 0 shares were  
voted against the proposal ; 0 shares were voted invalid or  
abstained ; Shares voted for the proposal represented 100% of the  
total represented shares present at the time of voting.

**RESOLVED :** The above proposal be and hereby was apporved as proposed.

**Proposal No. 2 :** Adoption of the Proposal for Distribution of 2013 Profits (proposed  
by the Board of Directors)

**Explanation :**

(1) Please refer to the 2013 Profit Distribution Table as follows.

**Acter Co., Ltd.**  
**PROFIT DISTRIBUTION TABLE**  
**Year 2013**

Unit : NTD

Beginning retained earnings(ROC GAAP)	593,452,305
Add: First-time adoption of IFRS effects at the date of transition	170,083,720
Add:The difference between ROC GAAP net income IFRS net income(2012)	(13,395,293)
Less: Special reserve at first-time adoption of IFRSs	39,790,253
Beginning retained earnings(IFRS)	710,350,479
Less:Total comprehensive income(2012)	3,306,344
Less:	
Changes in the number of actuarial gains and losses	969,556
Add:	
Reversal of provision for special reserve	2,905,625
Adjusted beginning retained earnings(IFRS)	708,980,204
Add: net profit after tax	466,390,601
Less: 10% legal reserve ( 2013 )	46,639,060
Distributable net profit	1,128,731,745
Distributable items:	
Cash Dividend to shareholders(10 per share)	461,358,190
Stock Dividend to shareholders (0 per share)	0
Unappropriated retained earnings	667,373,555
Notes:	
Employee bonus sharing 21,321,994(According to the Articles of Association the employee bonus in the amount not less than 2%)	
Compensation of directors and supervisors10,972,973 (According to the Articles of Association the director and supervisor remuneration in the amount not exceeding 3%)	

(2) Upon the approval of the Annual Meeting of Shareholders, it is proposed that the Board of Directors be authorized to determine

the ex-dividend date, ex-rights date, and other relevant issues.

**Voting Results :**

24,041,971 sharers were represent at the time of voting; 24,041,971 shares were voted for the proposal ; 0 shares were voted against the proposal ; 0 shares were voted invalid or abstained ; Shares voted for the proposal represented 100% of the total represented shares present at the time of voting.

**RESOLVED :** The above proposal be and hereby was apporved as proposed.

**5. Discussions**

**Proposal No. 1 :** Discussion on the proposal to amend the Operational Procedures for Acquisition and Disposal of Assets (proposed by the Board of Directors)

**Explanation :**

- (1) In order to be in line with the amendments to the “Regulations Governing the Acquisition and Disposal of Assets by Public Companies”, the company hereby proposes to amend the Operational Procedures for Acquisition and Disposal of Assets.
- (2) Please refer to Attachment 4 for details.

**Voting Results :**

24,041,971 sharers were represent at the time of voting; 24,041,971 shares were voted for the proposal ; 0 shares were voted against the proposal ; 0 shares were voted invalid or abstained ; Shares voted for the proposal represented 100% of the total represented shares present at the time of voting.

**RESOLVED :** The above proposal be and hereby was apporved as proposed.

**Proposal No. 2 :** The company intends to issue new restricted employee shares. (proposed by the Board of Directors)

## **Explanation :**

- (1) The new restricted employee shares which are to be issued shall be filed with the Competent Authority in multiple tranches over a period of 1 year from the resolution of Annual Meeting of Shareholders and shall be granted in one tranche or multiple tranches depending on actual needs, over a period of 1 year from the date of receipt of the notice of effective registration granted by the Competent Authority. The Chairman of the Company is authorized to determine the actual grant date.
- (2) Details of the issuance of new restricted employee shares proposed as follows:
  - A. Total amounts (shares) of issuance : 1,200,000 common shares
  - B. Issuance terms and conditions
    - a. Issued price : To give consideration to the effect of hiring, retaining and inspiring the employees, and the shareholder's interest, the issued price is set to be zero.
    - b. Vesting conditions : Vesting conditions are based on the years of service and financial performance which are both achieved.
    - c. Non compliance of the conditions : After Company shall redeem and cancel all new restricted employee shares from any employee whom received the new restricted employee shares but fail to meet the vesting conditions.
- (3) Employee qualification requirements
  - A. Employee qualification requirements : Full-time and key employees relating to the company operations. The key employees means the managers or higher-level personnel.
  - B. Stocks awarded : List of eligible employees with awarded shares will be determined based on the years of service, position degree, work performance and contribution to

company operations.

- (4) The restricted rights after new shares have been allotted or subscribed for and prior to the achievement of vesting conditions
  - A. During the vesting term, the new restricted employee shares may not be sold, pledged, transferred, donated or otherwise disposed of.
  - B. The new restricted employee shares carry the same rights as other outstanding common shares, including dividends, bonuses, and additional paid-in capital except non-transferability of the stocks prior to the achievement of vesting conditions.
- (5) The reason why it is necessary to issue the new restricted employee shares : To attract and retain professional personnel need by the Company, to motivate employees and enhance their centripetal force so as to jointly create the Company' s and shareholders' interests.
- (6) Potential expense and impact to dilution of earnings per share (EPS) and other factors that may affect shareholder's equity : The number of new restricted employee shares proposed to be issued is 1,200,000 common shares. Based on the market closed price of NT\$118 on Feb. 14, 2014 the annually expensed amount from 2014 to 2017 is estimated at NT\$30,483 thousands, NT\$61,360 thousands, NT\$35,990 thousands and NT\$13,767 thousands respectively and the potential dilution of EPS from 2014 to 2017 is estimated at NT\$0.66, NT\$1.33, NT\$0.78 and NT\$0.30 respectively.
- (7) Other important matters :
  - A. The Trust Custodian shall attend the Annual Meeting of Shareholders, submit the proposals, make the statements, exercise the voting rights and conduct other factors relevant

to the shareholders' equity by proxy for the employees who received the new restricted employee shares, prior to the achievement of vesting conditions.

- B. Upon the approval of the Annual Meeting of Shareholders, the Board of Directors is authorized to file to the Competent Authority subject to the relevant laws and regulations.
- C. Unless otherwise provided by laws and regulations, if there are any unspecified terms after proposed for resolution of this Annual Meeting of Shareholders, the Board of Directors is authorized to amend or adopt the issuance of the restricted stocks subject to the relevant laws and regulations.

**Voting Results :**

24,100,971 sharers were represent at the time of voting; 22,784,308 shares were voted for the proposal ; 1,250,580 shares were voted against the proposal ; 66,083 shares were voted invalid or abstained ; Shares voted for the proposal represented 94.54% of the total represented shares present at the time of voting.

**RESOLVED :** The above proposal be and hereby was apporved as proposed.

**6. Elections**

**Proposal No. 1 :** By-election of one supervisor (proposed by the Board of Directors)

**Explanation :**

- (1) According to the Articles 16 of the Articles of Incorporation, Company shall have five to nine directors and two to three supervisors. The Ninth Directors and Supervisors were elected during the annual shareholders' meeting on June 18, 2012 with each to serve a term of three years starting from June 18, 2012 to June 17, 2015.

(2) One of the supervisors of the Ninth Directors and Supervisors, Yun-Chun Wang, resigned on June 7, 2013. It is proposed to elect one supervisor in the 2014 Annual General Shareholders' Meeting with the supervisor's term starting from June 18, 2014 to June 17, 2015.

**Voting by Poll** : The list of the newly elected supervisor is as follows.

Shareholder No.	Name	Votes Received
10978	Winsite Co., Ltd. Legal Representative : Shih,Tung	22,090,051

## 7. Questions and Motions

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

**Chairman** : Liang, Chin-Li



**Recorder**:Huang, Tzu-Yen





## Attachment 1:Business Report

### Acter Co., Ltd.

#### 2013 Business Report

##### 1. 2013 Business results

###### (1).Business plan implementation results

In 2013, the global economy continues to recover in slowly progress, but the economic growth remains too slow and weak. The global economy is undergoing an U-shaped recovery and China vigorously promotes the economic structure reform, so the economic growth is slowing down. In this environment of slow economic recovery, Acter was able to attain a slight increase of operation revenue to NT\$8.66 billion and the income before income taxes was NT\$0.62 billion in 2013.

Unit : In thousands of New Taiwan Dollars

Items	2013	%
Operating revenue	8,656,072	100
Operating cost	7,617,107	88
Gross profit	1,038,965	12
Operating expenses	474,644	6
Operating income	564,321	6
Non-Operating income and expenses	56,010	1
Income before income taxes	620,331	7

Acter was able to maintain steady growth in 2013 under the concerted efforts of its directors and supervisors, managers, and all employees. However due to suffering from impacts of slow economic recovery, markets for China, Southeast Asia and Taiwan's industries are all affected, and especially in 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.

Under our fine-tuned risk dispersal strategy, Acter still makes efforts to strengthen the company's constitution, enhance the company's technological level, and continue to cut costs. Our superior integrated design and construction service, and cost cutting measures such as "value engineering enabled us to maintain the gross profit margin in a normal interval.

###### (2).State of budget implementation

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

(3).Financial structure and profitability

Items		2013	
Financial structure	Ratio of liabilities to assets (%)	58.62	
	Ratio of long-term capital to fixed assets (%)	866.7	
Solvency	Current ratio (%)	166.41	
	Quick ratio (%)	103.34	
Profitability	Return on total assets (%)	6.77	
	Return on stockholders' equity (%)	16.28	
	Ratio to issued capital (%)	Operating income	122.32
		Pre-tax income	134.46
	Profit ratio (%)	5.39	
	Earnings per share (\$)	10.11	

(4).Research and development

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.

Acter is an engineering services company, but we continue to work 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.

Although Acter is unlike conventional manufacturing and high-tech firms, we are undertaking the training of R&D team and will be able to offer better quality and efficacy of the projects services in the future.

## 2. Summary of business plan for 2014

### (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 2014 will include the following major courses of action.

- i. 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.
- ii. 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.
- iii. 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.
- iv. We will acquire expertise in gas and chemical supply system engineering, allowing us to develop new-generation project integration technologies.
- v. 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 the economy rejuvenation, we therefore foresee that the economy is undergoing an U-shaped recovery. 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 2014.

### (3). Business prospects in 2014 , future corporate development strategies and major production and sales policies

As the economy as a whole gradually improves during 2014, Acter continues to emphasizes on integrated engineering services, and has adopted a multi-regional, multi-industry, diversified strategy, and continues to deeply plow the technology, biotech, people's livelihood, and petrochemical markets. Furthermore, we also attend to develop new working methods and improve the quality of the project to establish brand and public praise by our dominance in the

focusing, flexibility, and innovation.

Acter possesses the attributes of both a service firm and an engineering firm. 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. Looking ahead to 2014, our revenue and profits will have considerable room for growth in 2014.

(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 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 , Chin-Li

**General Manager:** Hsu, Chung-Cheng

**Accounting Supervisor :** Tsao, Yun-Han

## **Attachment 2: 2013 Independent Auditors' Report and Financial Statements**

### **Representation Letter**

The entities that are required to be included in the combined financial statements of Acter Co., Ltd. as of and for the year ended December 31, 2013, under the Criteria Governing the Presentation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 27 endorsed by the Financial Supervisory Commissions R.O.C. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Acter Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

Acter Co., Ltd.

MR. Liang, Chairman

February 24, 2014

## **Independent Auditors' Report**

The Board of Directors  
Acter Co., Ltd.:

We have audited the accompanying consolidated balance sheets of Acter Co., Ltd. (the "Company") and subsidiaries as of December 31, 2013 and 2012 and January 1, 2012, and the related consolidated statements of comprehensive income, changes in equity, and cash flows for the years then ended December 31, 2013 and 2012. These consolidated financial statements are the responsibility of the Company'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 the 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, the consolidated financial statements referred in the first paragraph present fairly, in all material respects, the consolidated financial position of Acter Co., Ltd. and subsidiaries as of December 31, 2013 and 2012 and January 1, 2012, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations as well as SIC Interpretations endorsed by the Financial Supervisory Commission of the Republic of China with effective dates.

We have audited the parent – company – only financial statements as of and for the years ended December 31, 2013 and 2012 on which we have expressed an unqualified opinion.

Hsinchu, Taiwan (the Republic of china)  
February 24, 2014

### **Note to Readers**

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

The auditors' audit 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' review report and consolidated financial statements, the Chinese version shall prevail.

**Acter Co., Ltd. and Subsidiaries**  
**Consolidated Balance Sheets**  
**December 31, 2013, and 2012 and January 1, 2012**  
**(In Thousands of New Taiwan Dollars)**

Assets		December 31,2013		December 31,2012		January 1,2012		Liabilities and Equity		December 31,2013		December 31,2012		January 1,2012	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current Assets:</b>								<b>Current Liabilities:</b>							
1100	Cash and cash equivalents (Note 6(1))	\$ 1,456,226	21	1,934,995	28	1,934,358	28	2100	Short-term loans (Note 6(9))	\$ 287,832	4	152,160	2	160,166	2
1125	Available-for-sale financial assets— current (Note 6(2))	249,004	4	248,842	4	82,143	1	2150	Notes payable	155,881	2	196,567	3	397,022	6
1150	Notes receivable, net (Note 6(3))	174,891	2	257,690	4	280,800	4	2170	Accounts payable (Note 6(8))	2,221,756	32	2,051,389	30	1,862,434	27
1170	Accounts receivable, net (Note 6(3))	1,932,376	28	1,718,670	26	1,672,137	25	2180	Payables to related parties (Note 7(3))	6,182	-	-	-	10,272	-
1180	Receivables from related parties (Note 7)	5,937	-	6,522	-	340,642	5	2190	Construction contracts payable (Note 6(4) and 7(3))	335,081	5	391,275	6	588,118	8
1190	Construction contracts receivable (Note 6(4) and 7(3))	1,390,413	20	1,049,431	15	1,115,400	16	2201	Accrued salaries and bonuses	139,293	2	136,055	2	129,184	2
1200	Other receivables (Note 6(3))	35,634	1	31,041	-	39,353	1	2230	Income tax payable	93,758	1	112,817	2	126,235	2
1210	Other receivables from related parties (Note 7(3))	10,894	-	11,931	-	-	-	2311	Advance sales receipts	537,749	8	702,074	10	719,605	10
1310	Inventories, net (Note 6(5))	828,732	12	790,922	11	789,250	11	2399	Other current liabilities	<u>115,221</u>	<u>1</u>	<u>136,419</u>	<u>2</u>	<u>128,101</u>	<u>2</u>
1476	Other financial assets— current (Note 8)	157,959	2	71,680	1	106,693	2			<u>3,892,753</u>	<u>55</u>	<u>3,878,756</u>	<u>57</u>	<u>4,121,137</u>	<u>59</u>
1479	Other current assets (Note 6(2) and 7(3))	<u>235,887</u>	<u>2</u>	<u>331,497</u>	<u>5</u>	<u>148,743</u>	<u>2</u>								
		<u>6,477,953</u>	<u>92</u>	<u>6,453,221</u>	<u>94</u>	<u>6,509,519</u>	<u>95</u>								
<b>Non-current assets:</b>								<b>Non-current liabilities:</b>							
1523	Available-for-sale financial assets— noncurrent (Note 6(2))	40,991	1	6,942	-	22,692	-	2570	Deferred tax liabilities (Note 6(11))	181,044	3	176,411	3	178,819	3
1550	Investment accounted for using equity method (Note 6(6))	6,497	-	3,620	-	15,562	-	2640	Accrued pension liabilities (Note 6(10))	32,648	-	33,110	-	31,097	-
1600	Property, plant and equipment (Note 6(7))	334,438	4	340,451	5	267,533	4	2645	Guarantee deposit received	<u>252</u>	<u>-</u>	<u>312</u>	<u>-</u>	<u>312</u>	<u>-</u>
1760	Investment property, net	31,205	-	31,550	-	31,895	-			<u>213,944</u>	<u>3</u>	<u>209,833</u>	<u>3</u>	<u>210,228</u>	<u>3</u>
1840	Deferred tax assets (Note 6(11))	37,459	1	23,803	-	32,026	-		<b>Total Liabilities</b>	<u>4,106,697</u>	<u>58</u>	<u>4,088,589</u>	<u>60</u>	<u>4,331,365</u>	<u>62</u>
1985	Long-term prepaid rents	40,988	1	36,974	1	38,862	1		<b>Equity Attributable to Shareholders of the parent company</b>						
1990	Other non-current assets (Note 6(2))	<u>35,751</u>	<u>1</u>	<u>22,888</u>	<u>-</u>	<u>20,978</u>	<u>-</u>		(Note 6(12))						
		527,329	8	466,228	6	429,548	5	3100	Common stock	461,359	7	461,359	7	461,359	7
								3200	Capital surplus	896,599	13	896,599	13	896,599	13
								3300	Retained earnings	1,499,592	22	1,495,529	22	1,264,056	18
								3400	Other equity interest	<u>41,035</u>	<u>-</u>	<u>(22,627)</u>	<u>(2)</u>	<u>(14,312)</u>	<u>-</u>
									<b>Total Equity</b>	<u>2,898,585</u>	<u>42</u>	<u>2,830,860</u>	<u>40</u>	<u>2,607,702</u>	<u>38</u>
<b>Total Assets</b>		<u>\$ 7,005,282</u>	<u>100</u>	<u>6,919,449</u>	<u>100</u>	<u>6,939,067</u>	<u>100</u>		<b>Total Liabilities And Equity</b>	<u>\$ 7,005,282</u>	<u>100</u>	<u>6,919,449</u>	<u>100</u>	<u>6,939,067</u>	<u>100</u>

See accompanying notes to consolidated financial statements.



**Acter Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Comprehensive Income**  
**For the years ended December 31, 2013, and 2012**  
**(In Thousands of New Taiwan Dollars)**

		<b>2013</b>		<b>2012</b>	
		<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
<b>Operating revenues:</b>					
4521	Construction revenue (Note 6(4) and 7)	\$ 7,321,479	85	7,140,457	86
4529	Less: allowances	<u>(6,776)</u>	<u>-</u>	<u>(1,824)</u>	<u>-</u>
		7,314,703	85	7,138,633	86
4110	Sales	1,293,637	15	1,096,735	13
4800	Other operating revenue	<u>47,732</u>	<u>-</u>	<u>47,025</u>	<u>1</u>
		8,656,072	100	8,282,393	100
<b>Operating cost:</b>					
5520	Construction cost (Note 7)	6,517,139	75	6,008,019	72
5110	Cost of goods sold (Note 6(5))	1,088,476	13	895,462	11
5800	Other operating cost	<u>11,492</u>	<u>-</u>	<u>8,953</u>	<u>-</u>
		<u>7,617,107</u>	<u>88</u>	<u>6,912,434</u>	<u>83</u>
		<u>1,038,965</u>	<u>12</u>	<u>1,369,959</u>	<u>17</u>
<b>Gross profit</b>					
Operating expenses:					
6100	Selling	111,100	1	94,476	1
6200	General and administrative	319,861	4	310,302	4
6300	Research and development	<u>43,683</u>	<u>1</u>	<u>22,442</u>	<u>-</u>
		<u>474,644</u>	<u>6</u>	<u>427,220</u>	<u>5</u>
		<u>564,321</u>	<u>6</u>	<u>942,739</u>	<u>12</u>
<b>Operating income</b>					
<b>Non-operating income and expenses:</b>					
7050	Finance costs	(5,955)	-	(3,795)	-
7010	Other income (Note 6(14))	26,012	-	23,634	-
7070	Share of gain(loss) of associates accounted for using equity method	4,203	-	(17,308)	-
7020	Other gains and losses, net (Note 6(14))	<u>31,750</u>	<u>1</u>	<u>(29,056)</u>	<u>(1)</u>
		<u>56,010</u>	<u>1</u>	<u>(26,525)</u>	<u>(1)</u>
7900	<b>Profit before tax</b>	620,331	7	916,214	11
7950	<b>Income tax expense</b> (Note 6(11))	<u>153,940</u>	<u>2</u>	<u>220,077</u>	<u>3</u>
8200	<b>Profit</b>	<u>466,391</u>	<u>5</u>	<u>696,137</u>	<u>8</u>
<b>Other comprehensive income, net of tax :</b>					
8310	Foreign currency translation differences – foreign operations	54,825	1	(27,235)	-
8325	Net change in fair value of available-for-sale financial assets	8,837	-	18,920	-
8360	Actuarial gain from defined benefit plans	759	-	1,359	-
8370	Share of other comprehensive income of subsidiaries and associates	<u>(1,729)</u>	<u>-</u>	<u>(4,665)</u>	<u>-</u>
		<u>62,692</u>	<u>1</u>	<u>(11,621)</u>	<u>-</u>
8500	<b>Comprehensive income</b>	<u>\$ 529,083</u>	<u>6</u>	<u>684,516</u>	<u>8</u>
<b>Profit attributable to:</b>					
8610	Shareholders of the parent	<u>\$ 466,391</u>	<u>5</u>	<u>696,137</u>	<u>8</u>
<b>Comprehensive income attributable to:</b>					
8710	Shareholders of the parent	<u>\$ 529,083</u>	<u>6</u>	<u>684,516</u>	<u>8</u>
<b>Earnings per share (attributable to shareholders of the parent)</b> (Note 6(13))					
9750	<b>Basic earnings per share(In New Taiwan Dollars)</b>	<u>\$ 10.11</u>		<u>15.09</u>	
9850	<b>Diluted earnings per share(In New Taiwan Dollars)</b>	<u>\$ 10.04</u>		<u>14.97</u>	

See accompanying notes to consolidated financial statements.

**Acter Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Changes in Equity**  
**For the Years ended December 31, 2013 and 2012**  
**(Expressed in Thousands of New Taiwan Dollars)**

	Attributable to Shareholders of the Parent						Other equity interest			Total equity
	Common stock	Capital surplus	Retained earnings			Total	Foreign currency translation adjustments	Unrealized gains(losses) on available-for-sale financial assets	Total	
			Legal reserve	Special reserve	Unappropriated earnings					
<b>Balance, January 1, 2012</b>	\$ 461,359	896,599	160,418	11,930	1,091,708	1,264,056	-	(14,312)	(14,312)	2,607,702
Appropriation and distribution of retained earnings for the year ended 2012:										
Legal reserve	-	-	55,966	-	(55,966)	-	-	-	-	-
Special reserve	-	-	-	27,860	(27,860)	-	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	(461,358)
	461,359	896,599	216,384	39,790	546,524	802,698	-	(14,312)	(14,312)	2,146,344
Comprehensive income for the year ended 2012										
Profit	-	-	-	-	696,137	696,137	-	-	-	696,137
Changes in comprehensive income	-	-	-	-	(3,306)	(3,306)	(27,235)	18,920	(8,315)	(11,621)
Total comprehensive income	-	-	-	-	692,831	692,831	(27,235)	18,920	(8,315)	684,516
<b>Balance, December 31, 2012</b>	\$ 461,359	896,599	216,384	39,790	1,239,355	1,495,529	(27,235)	4,608	(22,627)	2,830,860
Appropriation and distribution of retained earnings for the year ended 2013:										
Legal reserve	-	-	70,953	-	(70,953)	-	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	(461,358)
Reversal of special reserve	-	-	-	(2,905)	2,905	-	-	-	-	-
	461,359	896,599	287,337	36,885	709,949	1,034,171	(27,235)	4,608	(22,627)	2,369,502
Comprehensive income for the year ended 2013										
Profit	-	-	-	-	466,391	466,391	-	-	-	466,391
Changes in comprehensive income	-	-	-	-	(970)	(970)	54,825	8,837	63,662	62,692
Total comprehensive income	-	-	-	-	465,421	465,421	54,825	8,837	63,662	529,083
<b>Balance, December 31, 2013</b>	\$ 461,359	896,599	287,337	36,885	1,175,370	1,499,592	27,590	13,445	41,035	2,898,585

See accompanying notes to consolidated financial statements.

**Acter Co., Ltd. and Subsidiaries**  
**Consolidated Statements of Cash Flows**  
**For the Years ended December 31, 2013 and 2012**  
**(All Amount Expressed in Thousands of New Taiwan Dollars)**

	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 620,331	916,214
<b>Adjustments:</b>		
Adjustments to reconcile profit (loss):		
Depreciation (Including investment property)	19,301	14,194
Amortization	6,041	3,811
Provision for bad debt expense	19,054	18,064
Provision for inventory obsolescence	22,829	100
Gain on disposal of available-for-sale financial assets	(3,781)	(5,323)
Impairment loss on financial assets	-	28,659
Share of loss (gain) of associates accounted for using equity method	(4,203)	17,308
Other	(13,433)	(9,294)
	45,808	67,519
<b>Changes in operating assets and liabilities:</b>		
<b>Changes in operating assets:</b>		
Notes receivable	82,799	23,110
Accounts receivable	(235,236)	(64,095)
Construction contracts receivable	(340,982)	65,969
Inventories	(60,639)	(1,772)
Other financial assets	5,480	180,164
	(548,578)	203,376
<b>Changes in operating liabilities:</b>		
Notes payable	(40,686)	(200,455)
Accounts payable	170,367	188,955
Construction contracts payable	(56,194)	(196,843)
Advance sales revenue	(164,325)	(17,531)
Other current liabilities	(13,809)	4,842
	(104,647)	(221,032)
Total adjustments	(607,417)	49,863
Cash inflow generated from operations	12,914	966,077
Interest received	8,438	12,892
Interest paid	(5,416)	(4,064)
Income taxes paid	(200,317)	(221,710)
<b>Net cash generated from (used in) operating activities</b>	(184,381)	753,195
<b>Cash flows from (used in) investing activities:</b>		
Proceeds from disposal of financial assets carried at amortized cost	-	2,423
Acquisition of available-for-sale financial assets	(277,480)	(813,764)
Proceeds from disposal of available-for-sale financial assets	267,145	658,343
Acquisition of investment accounted for using equity method	-	(5,857)
Acquisition of property, plant and equipment	(11,268)	(88,490)
Proceeds from disposal of property, plant and equipment	702	61
Increase in other non-current assets	(624)	(3,529)
<b>Net cash used in investing activities</b>	(21,525)	(250,813)
<b>Cash flows from (used in) financing activities:</b>		
Increase (decrease) in short-term loans	135,672	(8,006)
Payment of cash dividends	(461,358)	(461,358)
<b>Net cash used in financing activities</b>	(325,686)	(469,364)
Effect of exchange rate changes on cash and cash equivalents	52,823	(32,381)
Net increase (decrease) in cash and cash equivalents	(478,769)	637
Cash and cash equivalents at beginning of year	1,934,995	1,934,358
Cash and cash equivalents at end of year	\$ 1,456,226	1,934,995

See accompanying notes to consolidated financial statements.

## **Attachment 3: Supervisor's Review Report**

### **Acter Co., Ltd. Supervisor's Review Report**

This company's 2013 business report, financial statements, and earnings distribution proposal have been prepared and issued by the board of directors. Of these, the financial statement has been audited by Wu, Whe-Land CPA and Chen, Cheng-Hsueh CPA of KPMG under commission to the board, and the auditor has issued an audit report giving an unqualified opinion. The foregoing business report, financial statements, 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.

2014 shareholders meeting of Acter Co., Ltd.

**Acter Co., Ltd.**

Supervisor: Wu, Pi-Huei

Supervisor: Yeh, Hui-Hsin

February 24, 2014

## Attachment 4: Comparison Table of the Procedure for Acquisition and Disposal of Assets

Article	After The Revision	Before The Revision
Article 2	<p>1. Omitted.</p> <p>2. Real property (including <a href="#">land, houses and buildings, investment property, rights to use land, and inventories of construction enterprises</a>) and <del>equipment</del><del>other fixed assets</del>.</p>	<p>1. Omitted.</p> <p>2. Real property (including inventories of construction enterprises) and other fixed assets.</p>
Article 3	<p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph <del>6</del><del>8</del> of the Company Act.</p> <p>3. Related party <a href="#">or subsidiary</a>: As defined in <a href="#">Regulations Governing the Preparation of Financial Reports by Securities Issuers</a><del>Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF)</del>.</p> <p><del>4. Subsidiary: As defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.</del></p> <p><del>5</del> Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or <a href="#">equipment</a><del>other fixed assets</del>.</p> <p><del>6</del>. Omitted.</p> <p><del>7</del>. Omitted.</p> <p><del>8</del>. Omitted.</p>	<p>2. Assets acquired or disposed through mergers, demergers, acquisitions, or transfer of shares in accordance with law: Refers to assets acquired or disposed through mergers, demergers, or acquisitions conducted under the Business Mergers and Acquisitions Act, Financial Holding Company Act, Financial Institution Merger Act and other acts, or to transfer of shares from another company through issuance of new shares of its own as the consideration therefor (hereinafter "transfer of shares") under Article 156, paragraph 6 of the Company Act.</p> <p>3. Related party: As defined in Statement of Financial Accounting Standards No. 6 published by the ROC Accounting Research and Development Foundation (ARDF).</p> <p>4. Subsidiary: As defined in Statements of Financial Accounting Standards Nos. 5 and 7 published by the ARDF.</p> <p>5. Professional appraiser: Refers to a real property appraiser or other person duly authorized by law to engage in the value appraisal of real property or other fixed assets.</p> <p>6. Omitted.</p> <p>7. Omitted.</p> <p>8. Omitted.</p>
Article 6, 12, 14 and 16	Financial Supervisory Commission (FSC); <del>Executive Yuan</del>	Financial Supervisory Commission (FSC), Executive Yuan
Article 7	Evaluation and Procedure for Acquisition or Disposal of Real Property <a href="#">orand</a> <a href="#">Equipment</a> <del>and Other Fixed Assets</del>	Evaluation and Procedure for Acquisition or Disposal of Real Property and Other Fixed Assets

Article	After The Revision	Before The Revision
	<p>1. The means of price determination and supporting reference materials  For acquisition or disposal of real property <u>or equipment</u><del>and other fixed assets</del>, reference shall be made to published current value, appraisal value and actual transaction price of neighboring real property. Transaction conditions, transaction price and analysis report shall be prepared through the procedure of price consultation, price comparison, price negotiation or public tender and submitted to the chairman.</p> <p>2. Expert Appraisal Report  For any acquisition or disposal of real property or <u>equipment</u><del>other fixed assets</del>, other than a transaction with government agencies, delegated construction on self-owned land, delegated construction on leased land or acquisition or disposal of <del>machinery and</del> equipment for operational purpose, if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 Million or above, an appraisal report issued prior to the date of occurrence of the event by a professional appraiser shall first be obtained and the following rules shall be complied with:</p> <p>(1) If there is any special reason requiring any fixed price <del>or</del>, specific price, <u>or special price</u> to serve as reference benchmarks for the transaction price, such transaction shall first be submitted to the board of directors for resolution, <u>and the same procedure shall be followed for any future changes to the terms and conditions of the transaction.</u><del>If any transaction condition changes in the future, the above procedure shall be followed.</del></p> <p>(2) Omitted.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets</p>	<p>1. The means of price determination and supporting reference materials  For acquisition or disposal of real property and other fixed assets, reference shall be made to published current value, appraisal value and actual transaction price of neighboring real property. Transaction conditions, transaction price and analysis report shall be prepared through the procedure of price consultation, price comparison, price negotiation or public tender and submitted to the chairman.</p> <p>2. Expert Appraisal Report  For any acquisition or disposal of real property or other fixed assets, other than a transaction with government agencies, delegated construction on self-owned land, delegated construction on leased land or acquisition or disposal of machinery and equipment for operational purpose, if the transaction amount reaches 20% of the company's paid-in capital or NT\$300 Million or above, an appraisal report issued prior to the date of occurrence of the event by a professional appraiser shall first be obtained and the following rules shall be complied with:</p> <p>(1) If there is any special reason requiring any fixed price or specific price to serve as reference benchmarks for the transaction price, such transaction shall first be submitted to the board of directors for resolution. If any transaction condition changes in the future, the above procedure shall be followed.</p> <p>(2) Omitted.</p> <p>(3) Where any one of the following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets</p>

Article	After The Revision	Before The Revision
	<p>to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the <a href="#">ROC Accounting Research and Development Foundation</a> (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>i. Omitted. ii. Omitted.</p> <p>(4)Omitted.</p> <p>(5)Application in Construction Industry Unless any fixed price <del>or</del>, specific price, <u>or special price</u> is used as reference benchmark for the transaction price, if there is a justifiable reason for not obtaining the appraisal report in time, the appraisal report and the accountant's opinion under section (3) above shall be obtained within 2 weeks commencing immediately from the date of occurrence.</p> <p>(6)Omitted. (7)Omitted.</p> <p>3. The degree of authority delegated, the levels to which authority is delegated Any acquisition or disposal of real property or <u>equipment</u><del>other fixed assets</del> with transaction amount of NT\$10 Million (inclusive) or below shall be submitted to the chairman for approval. Any transaction exceeding NT\$10 Million shall only be carried out after approval by the board of directors.</p> <p>4. The units responsible for implementation Any acquisition or disposal of real property or <u>equipment</u><del>other fixed assets</del> by the company shall be executed under the responsibility of the user department and relevant responsible department after approval in accordance with the authority provided under the previous section.</p> <p>5. Transaction Process The transaction flow for the acquisition or disposal of</p>	<p>to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price:</p> <p>iii.Omitted. iv.Omitted.</p> <p>(4)Omitted.</p> <p>(5)Application in Construction Industry Unless any fixed price or specific price is used as reference benchmark for the transaction price, if there is a justifiable reason for not obtaining the appraisal report in time, the appraisal report and the accountant's opinion under section (3) above shall be obtained within 2 weeks commencing immediately from the date of occurrence.</p> <p>(6)Omitted. (7)Omitted.</p> <p>3. The degree of authority delegated, the levels to which authority is delegated Any acquisition or disposal of real property or other fixed assets with transaction amount of NT\$10 Million (inclusive) or below shall be submitted to the chairman for approval. Any transaction exceeding NT\$10 Million shall only be carried out after approval by the board of directors.</p> <p>4. The units responsible for implementation Any acquisition or disposal of real property or other fixed assets by the company shall be executed under the responsibility of the user department and relevant responsible department after approval in accordance with the authority provided under the previous section.</p> <p>5. Transaction Process The transaction flow for the acquisition or disposal of fixed assets by</p>

Article	After The Revision	Before The Revision
	<p><del>equipment</del><del>fixed—assets</del> by the company shall be carried out in accordance with the procedure related to fixed asset cycles under the company’s internal control system.</p>	<p>the company shall be carried out in accordance with the procedure related to fixed asset cycles under the company’s internal control system.</p>
Article 8	<p>2. When a public company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, <u>except in trading of government bonds or bonds under repurchase and resale agreements, or subscription or redemption of domestic money market funds</u>, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1)~(9)Omitted.</p> <p>(10) With respect to the acquisition or disposal of business-use <del>machinery and</del> equipment between a the company and its parent or subsidiaries, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>3. (1)~(3) Omitted.</p> <p>(4) For real property to be acquired from a related party, if there is any of the following events, only section 2 of this article about evaluation and procedure shall be applicable. Provisions about the evaluation of reasonableness of transaction cost under subsections (1) to (3) above shall not be applicable.</p> <p>i. The related party acquired the real</p>	<p>2. When a public company intends to acquire or dispose of real property from or to a related party, or when it intends to acquire or dispose of assets other than real property from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more, the company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the board of directors and recognized by the supervisors:</p> <p>(1)~(9)Omitted.</p> <p>(10) With respect to the acquisition or disposal of business-use machinery and equipment between a the company and its parent or subsidiaries, the company's board of directors may pursuant to Article 7, paragraph 1, subparagraph 3 delegate the board chairman to decide such matters when the transaction is within a certain amount and have the decisions subsequently submitted to and ratified by the next board of directors meeting.</p> <p>3. (1)~(3)Omitted.</p> <p>(4) For real property to be acquired from a related party, if there is any of the following events, only section 2 of this article about evaluation and procedure shall be applicable. Provisions about the evaluation of reasonableness of transaction cost under subsections (1) to (3) above shall not be applicable.</p> <p>i. The related party acquired the real</p>



Article	After The Revision	Before The Revision
	<p>property through succession or gift.</p> <p>ii. The contract by which the related party acquired the real property was signed more than 5 years preceding the contract signature date for this transaction.</p> <p>iii. The real property was acquired through signature of a co-construction contract with the related party, <u>or through engaging a related party to build real property, either on the company's own land or on rented land.</u></p> <p>4. Omitted.</p> <p>5. (1)~(2) Omitted.</p> <p>(3) The situations under subsections (1) and (2) above shall be reported to the shareholder meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p> <p>If the company and the publicly traded company that evaluated the company's investment under the equity method have provided special reserve in accordance with the above, the special reserve may only be used when the asset purchased at the high price has devalued or disposed of or compensated appropriated or reinstated to its original status, or if there is any other evidence showing that there is no issue of reasonableness and the Securities and Futures Bureau of the Financial Supervisory Commission <del>of the Executive Yuan</del> has given consent.</p>	<p>property through succession or gift.</p> <p>ii. The contract by which the related party acquired the real property was signed more than 5 years preceding the contract signature date for this transaction.</p> <p>iii. The real property was acquired through signature of a co-construction contract with the related party.</p> <p>4. Omitted.</p> <p>5. (1)~(2) Omitted.</p> <p>(3) The situations under subsections (1) and (2) above shall be reported to the shareholder meeting and the details of the transaction shall be disclosed in the annual report and the prospectus.</p> <p>If the company and the publicly traded company that evaluated the company's investment under the equity method have provided special reserve in accordance with the above, the special reserve may only be used when the asset purchased at the high price has devalued or disposed of or compensated appropriated or reinstated to its original status, or if there is any other evidence showing that there is no issue of reasonableness and the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan has given consent.</p>
Article 9	<p>2. Expert Opinions</p> <p>Any acquisition or disposal of membership or intangible asset with the transaction amount reaching 20% of the company's paid-in capital or NT\$300 Million or above, <u>except in transactions with a government agency,</u> an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. The accountant shall proceed in accordance with Audit Standard No. 20 published by the</p>	<p>2. Expert Opinions</p> <p>Any acquisition or disposal of membership or intangible asset with the transaction amount reaching 20% of the company's paid-in capital or NT\$300 Million or above, an accountant shall be engaged to provide an opinion about the reasonableness of the transaction price prior to the date of occurrence of the event. The accountant shall proceed in accordance with Audit Standard No. 20 published by the Accounting Research and Development Foundation.</p>

Article	After The Revision	Before The Revision
	Accounting Research and Development Foundation. Calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6-3.	Calculation of the transaction amounts referred to in the preceding three articles shall be done in accordance with Article 6-3.
Article 11	<p>12.Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1)Omitted.</p> <p>(2)When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.</p> <p>A company shall report to the <u>soonest</u> board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.</p>	<p>12.Senior management personnel authorized by the board of directors shall manage derivatives trading in accordance with the following principles:</p> <p>(1)Omitted.</p> <p>(2)When irregular circumstances are found in the course of supervising trading and profit-loss circumstances, appropriate measures shall be adopted and a report immediately made to the board of directors; where a company has independent directors, an independent director shall be present at the meeting and express an opinion.</p> <p>A company shall report to the board of directors after it authorizes the relevant personnel to handle derivatives trading in accordance with its Procedures for Engaging in Derivatives Trading.</p>
Article 13	<p>1.Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission <del>of the Executive Yuan's</del> designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1)Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements, <u>or subscription or</u></p>	<p>1.Under any of the following circumstances, the company acquiring or disposing of assets shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1)Acquisition or disposal of real property from or to a related party, or acquisition or disposal of assets other than real property from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the company's total assets, or NT\$300 million or more; provided, this shall not apply to trading of government bonds or bonds under repurchase and resale agreements.</p>

Article	After The Revision	Before The Revision
	<p><u>redemption of domestic money market funds.</u></p> <p>(2)~(3)Omitted.</p> <p>(4)Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>i.Omitted</p> <p>ii.Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, <u>or subscription of securities by a securities firm, either in the primary market or in accordance with relevant regulations,</u> except if the sale and purchase relates to securities of parent company, subsidiary or affiliate.</p> <p>iii.Trading of bonds under repurchase/resale agreements, <u>or subscription or redemption of domestic money market funds.</u></p> <p>iv.Where the type of asset acquired or disposed is equipment/<del>machinery</del> for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>v.Omitted.</p> <p>vi.Omitted.</p> <p>2.Omitted.</p> <p>3.The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission <del>of the Executive Yuan</del> by the 10th day of each month.</p> <p>4.Omitted.</p>	<p>(2)~(3)Omitted.</p> <p>(4)Where an asset transaction other than any of those referred to in the preceding three subparagraphs, a disposal of receivables by a financial institution, or an investment in the mainland China area reaches 20 percent or more of paid-in capital or NT\$300 million; provided, this shall not apply to the following circumstances:</p> <p>i. Omitted</p> <p>ii. Securities trading by investment professionals on foreign or domestic securities exchanges or over-the-counter markets, except if the sale and purchase relates to securities of parent company, subsidiary or affiliate.</p> <p>iii. Trading of bonds under repurchase/resale agreements.</p> <p>iv. Where the type of asset acquired or disposed is equipment/machinery for business use, the trading counterparty is not a related party, and the transaction amount is less than NT\$500 million.</p> <p>v. Omitted.</p> <p>vi. Omitted.</p> <p>2.Omitted.</p> <p>3.The company shall compile monthly reports on the status of derivatives trading engaged in up to the end of the preceding month by itself and any subsidiaries that are not domestic public companies and enter the information in the prescribed format into the information reporting website designated by the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan by the 10th day of each month.</p> <p>4.Omitted.</p>

Article	After The Revision	Before The Revision
	<p>5.Omitted.</p> <p>6.Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding provisions as defined in this article, the company shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan's designated website within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1)Omitted.</p> <p>(2)Omitted.</p> <p>(3)Omitted.</p>	<p>5.Omitted.</p> <p>6.Where any of the following circumstances occurs with respect to a transaction that the company has already publicly announced and reported in accordance with the preceding provisions as defined in this article, the company shall publicly announce and report the relevant information on the Securities and Futures Bureau of the Financial Supervisory Commission of the Executive Yuan's designated website within 2 days commencing immediately from the date of occurrence of the event:</p> <p>(1)Omitted.</p> <p>(2)Omitted.</p> <p>(3)Omitted.</p>
Article 15	<p><u>For the calculation of 10 percent of total assets under these procedures, the total assets stated in the most recent parent company only financial report or individual financial report prepared under the Regulations Governing the Preparation of Financial Reports by Securities Issuers shall be used.</u></p>	
Article <del>2019</del>	<p>This procedure was established on 3 May 2005....</p> <p><u>This procedure was amended on 18 June 2014.</u></p>	<p>This procedure was established on 3 May 2005....</p>