Acter Co. Ltd. and Subsidiaries

Consolidated Financial Statements

March 31, 2012 and 2011

(*in accordance with accounting principles and practices generally accepted in the Republic of China*)

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

Assets	March 31, 2012 Amount	%	March 31, 2011 Amount	%
Current assets:				
Cash and cash equivalents (note 4(a))	$ 1,809,062	30	979,575	19
Available-for-sale financial assets－current **(note 4(b))**	207,206	3	575,574	11
Notes receivable, net **(note 4(c))**	342,903	6	94,283	2
Accounts receivable, net **(note 4(c))**	1,373,138	23	1,092,189	22
Receivables from related parties **(note 5)**	-	-	219,484	4
Other financial assets－current	97,267	2	93,324	2
Inventories, net **(note 4(d))**	592,816	10	430,555	9
Construction-in-progress, net of billings on construction-in-progress **(note 4(e))**	780,117	13	1,148,052	23
Deferred income tax assets－current	56,031	1	-	-
Restricted assets **(note 5 and 6)**	17,817	-	83,847	2
Other current assets and prepayments to suppliers	304,632	5	121,055	2
	5,580,989	93	4,837,938	96
Investments :				
Investments accounted for using equity method **(note 4(f))**	11,947	-	65	-
Financial assets carried at cost－non-current **(note 4(b))**	29,387	-	35,387	-
	41,334	-	35,452	-
Property, plant and equipment (note 6):				
Land	151,631	3	18,947	-
Buildings	87,644	1	35,043	1
Other equipment	70,545	1	65,834	1
	309,820	5	119,824	2
Less: accumulated depreciation	(44,592)	(1)	(47,348)	(1)
Prepayments for equipment	22,792	-	4,521	-
	288,020	4	76,997	1
Intangible assets				
Computer software	8,270	-	3,233	-
Deferred pension cost	9,662	-	5,982	-
Land use rights	37,670	2	36,832	1
	55,602	2	46,047	1
Other assets:				
Lease assets **(note 4(g) and 6)**	31,809	1	32,154	1
Refundable deposit	11,238	-	10,149	-
Restricted assets – non-current **(note 6)**	6,656	-	-	-
Other assets – other	2,010	-	630	-
	51,713	1	42,933	1
Total assets	$ 6,017,658	100	5,039,367	100

Liabilities and Stockholders' Equity	March 31, 2011 Amount	%	March 31, 2010 Amount	%
Current liabilities:				
Short-term borrowings **(note 4(h))**	$ 71,064	1	80,044	2
Notes payable	229,080	4	566,025	11
Accounts payable	1,753,979	29	1,259,988	25
Payables to related parties **(note 5)**	73	-	2,455	-
Income tax payable	109,211	2	130,216	2
Salary and wages payable	84,159	1	82,404	2
Unearned sales revenue	456,333	8	236,357	5
Billings on construction-in-progress, net of construction-in-progress	536,554	9	414,574	8
Accrued expenses and other current liabilities **(note 4(k))**	50,297	1	66,674	1
Deferred income tax liabilities – current	4,851	-	3,469	-
	3,295,601	55	2,842,206	56
Other liabilities				
Accrued pension liabilities	16,015	-	10,561	-
Deposit received	312	-	312	-
Deferred income tax liability－non-current	120,595	2	79,211	2
	136,922	2	90,084	2
Total liabilities	3,432,523	57	2,932,290	58
Stockholders' equity (note 4(i)):				
Common stock	461,359	8	415,359	8
Capital surplus-additional paid-In capital-common stock	896,599	15	539,869	11
Retained earnings:				
Legal reserve	160,418	3	87,804	2
Special reserve	11,930	-	-	-
Unappropriated retained earnings	1,043,001	17	1,074,018	21
	1,215,349	20	1,161,822	23
Other adjustments to stockholders' equity:				
Cumulative translation adjustments	14,596	-	(8,509)	-
Unrecognized pension costs	(3,215)	-	(2,711)	-
Unrealized gains on financial instruments	447	-	1,247	-
	11,828	-	(9,973)	-
Total stockholders' equity	2,585,135	43	2,107,077	42
Commitments and contingencies (note 5 and 7)				
Total liabilities and stockholders' equity	$ 6,017,658	100	5,039,367	100

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements of Operations

For the three Months ended March 31,2012 and 2011
(In thousands of New Taiwan dollars, except for earnings per common share)

	2012		2011	
	Amount	**%**	**Amount**	**%**
Operating revenue:				
Construction revenue	$ 1,085,092	70	1,802,366	92
Less: allowances	(230)	-	(39)	-
Net construction revenue (note 5)	1,084,862	70	1,802,327	92
Sales	460,791	30	137,112	7
Other operating revenue	13,922	-	15,050	1
Net operating revenue (note 5)	1,559,575	100	1,954,489	100
Operating cost:				
Construction cost (note 5)	907,136	58	1,512,809	77
Cost of goods sold (note 4(d))	399,750	26	109,072	6
Other operating cost	2,219	-	2,118	-
	1,309,105	84	1,623,999	83
Gross profit	250,470	16	330,490	17
Operating expenses:				
Selling	20,998	1	17,849	2
General and administrative	68,324	4	31,952	2
	89,322	5	49,801	4
Operating income	161,148	11	280,689	13
Non-operating income and gains:				
Interest income	2,609	-	1,002	-
Gain on disposal of investment, net	610	-	2,101	-
Gain on reversal of bad debts **(note 4(c))**	13,928	1	-	-
Other income	1,351	-	1,101	-
	18,498	1	4,204	-
Non-operating expenses and loss:				
Interest expense	1,262	-	139	-
Investment loss recognized by equity method **(note 4(f))**	3,251	-	-	-
Impairment loss **(note 4(b))**	6,000	-	-	-
Other loss **(note 4(k))**	2,571	-	2,522	-
	13,084	-	2,661	-
Income before income taxes	166,562	12	282,232	13
Income tax expenses	45,185	3	70,076	3
Net income	$ 121,377	9	212,156	10

	2012 Before taxes	2012 After taxes	2011 Before taxes	2011 After taxes
Earnings per common share (New Taiwan dollars) (note 4(j)) **:**				
Basic earnings per common share	$ 3.61	2.63	6.79	5.11
Diluted earnings per common share	$ 3.59	2.62	6.78	5.09

See accompanying notes to consolidated financial statements.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows

For the three Months ended March 31,2012 and 2011

(In thousands of New Taiwan dollars)

	2012	2011
Cash flows from operating activities:		
Net income	$ 121,377	212,156
Adjustments:		
Depreciation and amortization	4,715	4,562
Impairment loss	6,000	-
Gain on disposal of investment	(610)	(2,101)
Reversal of bad debt expense	(13,928)	(22,307)
Provision for (reversal of) inventory obsolescence	2	(519)
Investment loss recognized by equity method	3,251	-
Deferred income tax (income) expense	(22,053)	39,208
Adjustment for other non-cash-related losses, net	108	-
Net change in operating assets and liabilities:		
Notes receivable and accounts receivable (including related parties)	591,466	12,630
Inventories	196,432	(119,609)
Net construction-in-progress	8,959	(162,151)
Other financial assets and other current assets	(136,430)	(22,753)
Notes payable and accounts payable (including related parties)	(286,597)	43,558
Income tax payable	(17,024)	18,771
Net billings on construction-in-progress	22,865	(154,396)
Unearned sales revenue, accrued expenses, and other current liabilities	(373,554)	(40,655)
Accrued pension liabilities	221	205
Cash provided by (used in) operating activities	105,200	(193,401)
Cash flows from investing activities:		
(Purchase) disposal of available-for-sale financial assets	(122,389)	44,675
Decrease in restricted assets	6,893	12,567
Increase in financial assets carried at cost	-	(24,000)
Acquisition of property, plant and equipment	(24,480)	(3,739)
Acquisition of computer software	(463)	(2,182)
Acquisition of land use right	-	(36,931)
(Increase) decrease in refundable deposit(included construction refundable deposit)	(1,524)	35,511
Increase in other assets	(1,501)	-
Cash (used in) provided by investing activities	(143,464)	25,901
Cash flows from financing activities:		
(Decrease) increase in short-term borrowings	(89,102)	59,291
Net cash provided by financing activities	(89,102)	59,291
Effect of exchange rate changes	2,070	5,893
Net decrease in cash and equivalents	(125,296)	(102,316)
Cash and equivalents at beginning of year	1,934,358	1,081,891
Cash and equivalents at end of year	**$ 1,809,062**	**979,575**
Supplemental disclosure of cash flow information:		
Cash payments of interest	**$ 1,375**	**80**
Cash payments of income tax paid	**$ 57,895**	**116**

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

(1) Organization

Acter Co., Ltd. ("Acter") was incorporated on February 19, 1979, under the approval of the Ministry of Economic Affairs, R.O.C. Acter is engaged in providing construction, design, and maintenance services related to air conditioners, environmental control services, clean room set-up, ice water machine trading, energy storing equipment trading, ventilation engineering, and energy technology services. Acter's common shares were publicly listed on the Over-the-Counter Market ("OTC") on November 10, 2010.

As of March 31, 2012 and 2011, Acter and its subsidiaries ("the Company") had 852 and 800 employees, respectively.

(2) Summary of Significant Accounting Policies

The accompanying consolidated financial statements are prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and accounting principles generally accepted in the Republic of China (ROC). The major accounting policies and measurement bases adopted in preparing the accompanying consolidated financial statements are summarized as follows:

(a) Overview of consolidated entities

(i) The consolidated entities of Acter are summarized below:

Investor	Investee	Business	Percentage of ownership at March 31, 2012	2011
Acter	Nova Technology Corp. (Nova Tech)	Wholesaling of electronic and chemical equipment	100%	100%
Acter	HerSuo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100%	100%
Acter	Sheng Huei International Co., Ltd. (Sheng Huei International)	Holding company	100%	100%
Acter	Nova Technology Singapore Pte., Ltd. (NTS)	Auto-supply system for semiconductors	100%	100%
Sheng Huei International	Sheng Huei (Suzhou) EngineeringCo., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%
Sheng Huei International	Acter Trading Co., Ltd.	Agent for electronic equipment importing and exporting	100%	100%
Sheng Huei International	Acter International Ltd. (Acter International)	Holding company and trading of clean rooms and air conditioners	100%	100%

(Continued)

Investor	Investee	Business	Percentage of ownership at March 31, 2012	Percentage of ownership at March 31, 2011
Sheng Huei International	New Point Group Ltd. (New Point)	Holding company and trading of clean rooms and air conditioners	100%	100%
Sheng Huei International	Sheng Huei Engineering Technology Co., Ltd.	Set-up of electronic protection systems and central air conditioners	100%	100%
Nova Technology Singapore Pte. Ltd.(NTS)	Nova Technology Malaysia Sdn. Bhd.(NTM)	Auto-supply system for semiconductors	100%	-
Acter International	Sheng Huei (Shenzhen) Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%
Acter International	Suzhou Ding-Mao Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%
New Point	Zhangjiagang Free Trade Zone Fuyu Internation Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	100%	100%

(ii) Change in subsidiaries included in the consolidated financial statements

In January 2012, NTS established its subsidiaries of NTM in Malaysia. As a result, NTM is consolidated and is accounted for using the equity method from the invested date.

(b) Basis of consolidation

The consolidated financial statements include the accounts of Acter and its subsidiaries in which Acter directly or indirectly owns over 50% of the voting shares and is able to exercise control over the subsidiary's operations and financial policies. Acter and such subsidiaries are referred to individually or collectively as "the Company". All significant inter-company transactions and balances are eliminated in consolidation.

(c) Use of estimates

The preparation of the accompanying consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses, and disclosures of contingent liabilities. Actual results could differ from these estimates.

(d) Foreign currency transactions and translation

The Company and its subsidiaries record transactions in their respective functional currency. Foreign currency transactions are recorded at the exchange rates prevailing at the transaction dates. At the balance sheet date, monetary assets and liabilities denominated in foreign

(Continued)

currencies are translated using the exchange rates prevailing on that date. The resulting exchange gains or losses from settlement of such transactions or translations of monetary assets and liabilities are reflected in the accompanying statements of operations. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated into New Taiwan dollars at the exchange rates ruling at the dates the fair value was determined. If the non-monetary assets or liabilities are measured at fair value through profit or loss, then the resulting unrealized exchange gains or losses from such translations are recorded in current profit or loss. If the non-monetary assets or liabilities are measured at fair value through stockholders' equity, then the resulting unrealized exchange gains or losses from such translations are recorded as a separate component of stockholders' equity.

The financial statements of foreign subsidiaries are translated into New Taiwan dollars at the exchange rates prevailing on the balance sheet date, with the exception of stockholders' equity, which is translated at historical rates, and revenue, costs, and expenses, which are translated at the weighted-average exchange rates during the reporting period. Translation differences resulting from the translation of such financial statements into New Taiwan dollars are recorded as translation adjustment, a separate component of stockholders' equity.

(e) Principles of classifying assets and liabilities as current and non-current

Assets or liabilities related to long-term construction are classified as current or non-current based on the business operation life cycle.

Cash or cash equivalents that are not restricted in use, assets held for the purpose of trading, and assets that will be held for a short time period and are expected to be converted to cash within 12 months from the balance sheet date are recorded as current assets; all other assets are recorded as non-current assets.

Liabilities that are incurred for the purpose of trading or are expected to be liquidated within 12 months after the balance sheet date are reflected as current liabilities; all other liabilities are reflected as non-current liabilities.

(f) Asset impairment

The Company assesses at each balance sheet date whether there is any indication that an asset may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The Company recognizes impairment loss for an asset whose carrying value is higher than the recoverable amount. The Company reverses an impairment loss recognized in prior periods for assets other than goodwill if there is any indication that the impairment loss recognized no longer exists or has decreased. The carrying value after the reversal should not exceed the recoverable amount or the depreciated or amortized balance of the assets assuming no impairment loss was recognized in prior periods.

(g) Cash equivalents

The Company considers all highly liquid investments, such as investments in bonds with repurchase agreements, with a maturity of three months or less to be cash equivalents.

(Continued)

(h) Financial instruments

1. Available-for-sale financial assets

These are measured at fair value, and any changes, excluding impairment loss and unrealized foreign currency exchange gain or loss, are reported as a separate component of stockholders' equity before gain or loss on financial instruments is realized. Realized gain or loss on financial instruments is charged to current operations. If there is objective evidence of impairment, an impairment loss is recognized in profit or loss. If, in a subsequent period, events or changes in circumstances indicate that the amount of impairment loss has decreased, the previously recognized impairment loss for equity securities is reversed to the extent of the decrease and recorded as an adjustment to equity, while for debt securities, the reversal is allowed through profit or loss provided that the decrease is clearly attributable to an event which occurs after the impairment loss is recognized.

2 Financial assets carried at cost

Financial instruments whose fair values could not be measured with reasonable certainty are measured at their initial cost. However, if there is any objective evidence of impairment, a loss should be recognized thereon. Thereafter, the loss could not be reversed.

3. Notes receivable, accounts receivable, and other receivables

Notes and accounts receivable are the creditors' rights from selling goods or rendering services. Other receivables are created from non-operating income.

Effective January 1, 2011, for financial assets, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

Impairment loss is recognized and measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognized in profit or loss. The present value of estimated future cash flows includes the recoverable amount of collateral and insurance.

If, in a subsequent period, the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal shall not result in a carrying amount of financial assets that exceeds what the amortized cost would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the reversal shall be recognized in profit or loss.

(Continued)

Prior to January 1, 2011, the allowance for doubtful receivable was based on the age, credit quality, and results of the Company's evaluation of the collectability of the outstanding balance of notes and accounts receivable.

(i) Inventories

The cost of inventories shall comprise all costs of purchase, costs of conversion, and other costs incurred in bringing the inventories to their present location and condition. The allocation of fixed production overheads to the finished goods and work in progress is based on the normal capacity of the production facilities. Variable production overheads are allocated to each unit of production on the basis of the actual use of the production facilities. Inventories are measured at the lower of cost or net realizable value on an individual item basis. The cost of inventories is based on the weighted-average-cost principle. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses at the end of the period.

(j) Construction-in-progress and billings on construction-in-progress

Construction-in-progress and billings on construction-in-progress should be recognized by separate projects. Construction-in-progress includes actual cost and net income recognized under the percentage-of-completion method. Billings on construction-in-progress refers to accumulated advance construction payment. For individual projects, if the balance of the construction-in-progress account exceeds the balance of billings on construction-in-progress, then the billings on construction-in-progress account should be subtracted from the construction-in-progress account, and the balance should be reported as a current asset. On the other hand, if the balance in the billings on construction-in-progress account exceeds the balance of the construction-in-progress account, then the construction-in-progress account, when subtracted from the billings on construction-in-progress account, should be reported as a current liability.

(k) Long-term investments accounted for using equity method

Long-term investments in which the Company owns more than 20% of the investee companies' voting shares or owns less than 20% but has significant influence on the investee companies are accounted for by the equity method.

(l) Property, plant and equipment, lease assets, and depreciation

Property, plant and equipment are stated at cost. Costs associated with significant additions, improvements, and replacements to property, plant and equipment are capitalized. Repairs and maintenance are charged to expenses as incurred.

Depreciation of property, plant and equipment of the Company is provided for by using the straight-line method over the estimated useful lives of the respective assets. The useful lives of the main property, plant and equipment are as follows:

- Buildings: 20 to 49 years
- Other equipment: 3 to 12 years
- Lease assets: 5 to 37 years

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

At the end of each fiscal year, any changes in the remaining useful life, depreciation method, or salvage value are regarded as changes in accounting estimates.

In addition, gains or losses on the disposal of property, plant and equipment are accounted for as non-operating income or losses in the consolidated statement of operation.

(m) Intangible assets

Computer software is recorded at acquisition cost. Intangible asset costs are amortized using the straight-line method over the estimated useful of lives of 1 to 3 years.

The Company reviews the residual value, amortization method, and amortization period at least at the end of each fiscal year. Any changes are accounted for as changes in accounting estimates.

(n) Land use rights

The charges for land use rights are recorded at acquisition cost. Based on the shorter of the contract period or estimated benefit duration, the cost of land use rights is amortized using the straight-line method over a term of 50 years.

(o) Reserve for guarantee

Reserve for guarantee includes potential expense within the guarantee term. The reserve would be written off when actual expenses occur. If the reserve is not enough to be written off, the excess would be recorded as current expense.

(p) Retirement plan

Acter and its ROC subsidiaries established an employee non-contributory defined benefit retirement plan (“the Plan”) under the ROC Labor Standards Law (the “old system”) covering all regular employees. In accordance with the Plan, Acter and its ROC subsidiaries’ employees are eligible for retirement or are required to retire after meeting certain age or service requirements. Payments of retirement benefits are based on the years of service and the average salary for the six-month period before the employee’s retirement. Each employee earns two months of salary for the first fifteen years of service, and one month of salary for each year of service thereafter. The maximum retirement benefit is 45 months of salary. In accordance with the requirements of the ROC Labor Standards Law, Acter and its ROC subsidiaries have contributed monthly at the rate of 2% of salaries and wages to a pension fund.

For the Plan, Acter and its ROC subsidiaries carry out an actuarial calculation of their pension obligation at year-end. Based on the actuarial calculation, Acter and its ROC subsidiaries recognize a minimum pension liability and net periodic pension costs covering the service lives of the retirement plan participants, including current service cost, net obligation at transition, prior service cost, and pension gains or losses amortized on a straight-line basis.

Beginning July 2005, pursuant to the ROC Labor Pension Act (hereinafter referred to as the “New Act”), employees who elected to participate in the New Act or joined Acter and its ROC subsidiaries after July 1, 2005, are covered by a defined contribution plan under the New Act.

(Continued)

For these employees, Acter and its ROC subsidiaries are required to make a monthly contribution at a rate no less than 6% of the employee's monthly wages to the employee's individual pension fund account at the ROC Bureau of Labor Insurance.

Under the new system, the Company contributes 6% of each employee's monthly wages to the Bureau of Labor Insurance. The contribution for a period is recognized as pension cost for that period.

Certain of the Company's foreign subsidiaries have set up their retirement plans based on local government regulations. Contributions to these plans are expensed as incurred.

(q) Share-based payment

A capital increase by cash arising from the exercise of employee stock subscription rights commencing from January 1, 2008, is accounted for in accordance with ARDF Interpretation No. (96) 267 and Statement of Financial Accounting Standards (SFAS) No. 39. According to this Interpretation, compensation cost is calculated based on the option-pricing model on the grant date and is amortized over the vesting period. If the stock cannot be fairly evaluated before its public offering, the intrinsic value is used to recognize the compensation cost. The grant date is either the ex-rights date or the date of approval by the board of directors if the approval from the board of directors is required.

(r) Construction revenue and construction income

For construction projects lasting longer than one year, when the construction profits can be reasonably estimated, the percentage-of-completion method is applied. Reasonably dependable estimates of construction profit occur when the following conditions are met:

1. Dependable estimates can be made of total accounts receivable.
2. Estimates for contract costs to be invested to complete the contract and the degree of its completion at the end of the period are reasonable dependable.
3. Costs belonging to the contract can be reasonably identified.

Under the percentage-of-completion method, contract profit for the current period is the difference between the cumulative profit based on the percentage of completion at the end of the current period and the cumulative profit recognized in prior periods. However, if the cumulative profit recognized in prior periods is greater than the cumulative profit calculated based on the percentage of completion at the end of the current period, the excess should be recorded as a loss in the current period. The percentage of completion is measured using the construction cost percentage method, under which the degree of completion is measured by the ratio of costs already incurred to an estimate of the total costs to complete the project. When there are changes in construction contract prices or estimates of total construction costs, such changes should be treated as changes in accounting estimates.

When the construction project is shorter than one year or the construction profits cannot be reasonably estimated, the completed-contract method is applied. The construction profits are recognized only when the contract is completed or substantially completed except for some miscellaneous work.

(Continued)

When the economic situation changes, a project can be changed from applying the completed-contract method to the percentage-of-completion method.

If a contract is estimated to bear a loss prior to completion, the full amount of the loss should be recognized immediately whether the completed-contract or percentage-of-completion method is adopted. However, if the loss is estimated to be smaller in future years, the difference should be reversed and recognized as a gain in that year.

(s) Revenue recognition

Sales revenue is recognized when title to the products and the risks and rewards of ownership are transferred to the customers, which occurs principally at the time of shipment. Sales of machines and equipment are recognized as soon as the machines and equipment are delivered and inspected and the related risk is transferred to the customers.

(t) Income taxes

Income taxes are accounted for under the asset and liability method. Deferred income taxes are determined based on differences between the financial statements and tax basis of assets and liabilities using the enacted tax rates in effect during the years in which the differences are expected to reverse. The income tax effects resulting from taxable temporary differences are recognized as deferred income tax liabilities. The income tax effects resulting from deductible temporary differences and income tax credits are recognized as deferred income tax assets. The realization of the deferred income tax assets is evaluated, and if it is considered more likely than not that the asset will not be realized, a valuation allowance is recognized accordingly.

According to SFAS No. 22 “Income Taxes,” when a change in the income tax rate is enacted, any deferred tax liability or asset should be recomputed accordingly in the period of change. The difference between the new amount and the original amount, that is, the effect of changes in the deferred tax liability or assets, should be reported as an adjustment to income tax expense (benefit) for income from continuing operations.

Classification of the deferred income tax assets or liabilities as current or non-current is based on the classification of the related assets or liabilities. If the deferred income tax asset or liability is not directly related to a specific asset or liability, the classification is based on the expected realization period.

According to the ROC Income Tax Act, Acter and its ROC subsidiaries’ earnings are subject to an additional 10 percent corporate income surtax if not distributed. This surtax is charged to income tax expense in the following year when the shareholders decide not to distribute the earnings.

The income tax return of each consolidated entity is filed separately and is not consolidated with Acter’s filing. The Company’s income tax expense in the consolidated financial statements includes the accounts of Acter and its subsidiaries.

(u) Employees’ bonuses and remuneration paid to directors and supervisors

(Continued)

Effective January 1, 2008, and in accordance with Interpretation No. (96) 052 issued by the Accounting Research and Development Foundation (“ARDF”), the Company estimates employees’ bonuses and remuneration of directors and supervisors and charges them to current operations, classified under cost of goods sold and operating expense, as appropriate. The difference, if any, between the amount approved by stockholders in the subsequent year and the amount estimated in the current-year financial statements is accounted for as a change in accounting estimate, and charged to profit or loss in the subsequent year.

(v) Earnings per common share (“EPS”)

Basic EPS are computed by dividing net income by the weighted-average number of common shares outstanding during the year. The weighted-average number of outstanding shares is retroactively adjusted for the effect of stock dividends transferred from retained earnings and capital surplus to common stock, and employee stock bonuses issued prior to January 1, 2009. Effective January 1, 2009, EPS are no longer retroactively adjusted for employee stock bonuses. The Company’s employee stock options and employee stock bonuses to be issued after January 1, 2009, are potential common stock. If all the potential common stock is not dilutive, only the basic EPS are disclosed. Otherwise, both the basic EPS and dilutive EPS are disclosed. In computing the diluted EPS, net income (loss) and the weighted-average number of common shares outstanding during the year are adjusted for the effects of dilutive potential common stock, assuming the dilutive share equivalent had been issued.

(w) Operating segment information

An operating segment is a component of an entity that has the following characteristics: (a) engaging in business activities from which it may earn revenues and incur expenses; (b) whose operating results are regularly reviewed by the entity’s chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance; and (c) for which discrete financial information is available.

(3) Reasons for and Effect of Changes in Accounting Principles

Effective from January 1, 2011, the Company adopted the newly released SFAS No. 41 “Operating Segments”. This statement requires identification and disclosure of operating segments on the basis of how the Company’s chief operating decision maker regularly reviews information in order to allocate resources and assess performance. The Company discloses the operating segment information in the consolidated financial statements rather than in the individual financial statements. SFAS No. 41 supersedes SFAS No. 20 “Segment Reporting.” The adoption of the newly released SFAS did not have any influence on the consolidated financial statements for the year ended December 31, 2011.

Effective from January 1, 2011, the Company adopted the newly revised SFAS No. 34 “Financial Instruments: Recognition and Measurement”. The recognition, measurement, and impairment evaluation of receivables are subject to the newly revised SFAS. The adoption of the newly released SFAS did not have any influence on net income and basic earnings per share for the year ended December 31, 2011.

(4) Explanation of Significant Accounts

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

(a) Cash and cash equivalents

	March 31	
	2012	2011
Petty cash and cash on hand	$ 2,959	1,973
Checking and demand deposits	952,975	713,663
Time deposits	95,954	164,074
Cash equivalent – repurchased commercial paper	757,174	99,865
	$ 1,809,062	979,575

The repurchased commercial paper rate was 0.83% and 0.50% ~0.52% on March 31, 2012 and 2011, and the commercial paper mature from April 2, 2012 to June 25, 2012 and April 1, 2011 to April 6, 2011, respectively.

(b) Financial assets

	March 31	
	2012	2011
Available-for-sale – current		
Mutual funds	$ 207,206	575,574
Financial assets carried at cost – non-current		
Sunner Solar Corporation Co., Ltd.(Sunner Solar)	$ 35,342	35,342
Taichung International Entertainment Co., Ltd.	45	45
	$ 35,387	35,387

The above investments did not have quoted prices in an active market, and their fair value could not be reliably measured. Thus, they were classified under financial assets carried at cost. Due to Sunner Solar's operation condition had deteriorated, the Company recognized the impairment loss $6,000 in the first quarter of 2012.

Further, the Company has offered multiple asset-pledged bonds for guarantee. These guarantees amounted to $2,362 and $2,353 on March 31, 2011 and 2012, respectively. Please refer to note (6).

(c) Notes and accounts receivable, net

	March 31	
	2012	2011
Notes receivable	$ 342,903	94,283
Accounts receivable	1,384,543	1,115,130
Less: allowance for doubtful accounts	(11,405)	(22,941)
	1,373,138	1,092,189
	$ 1,716,041	1,186,472

(d) Inventories

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

	March 31 2012	March 31 2011
Finished goods and merchandise	$ 309,790	83,505
Work in process and semi-finished goods	190,911	266,962
Raw materials	92,240	81,727
Less: provision for inventory devaluation	(125)	(1,639)
	92,115	80,088
	$ 592,816	430,555

For the three months ended March 31, 2012 and 2011, the Company wrote down operating cost of $2 and $519, respectively, from the write-down of inventory costs to net realizable value.

7

(e) Construction-in-progress and billings on construction-in-progress

1. For construction-in-progress in excess of billings on construction-in-progress, the amount is netted off as a current asset, as follows:

Construction Project	March 31,2012 Construction in progress	Billings on construction in progress
11XXXX4	$ 277,318	192,559
70XX7	410,085	338,411
A0XXXX1	150,646	97,301
11XXXX1	167,666	123,644
Other (net amount less than 5%)	2,486,737	1,960,420
	3,492,452	2,712,335
Less: billings on construction in progress	(2,712,335)	
Net amount	$ 780,117	

The net construction-in-progress abovementioned under the completed-contract method and percentage-of-completion method was $460,065 and $320,052, respectively.

Construction Project	March 31,2011 Construction in progress	Billings on construction in progress
A0XX1	$ $ 544,111	367,924
70XX7	368,680	282,339
10XXXX2	65,814	-
A1XX6	114,865	55,350
Other (net amount less than 5%)	2,400,870	1,640,675
	3,494,340	2,346,288
Less: billings on construction in progress	(2,346,288)	
Net amount	$ 1,148,052	

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

The net construction-in-progress abovementioned under the completed-contract method and percentage of completion method was $688,721and $459,331, respectively.

2. For billings on construction-in-progress in excess of construction-in-progress, the amount is netted off as a current liability, as follows:

		March 31,2012	
Construction Project		Construction in progress	Billings on construction in progress
11XXXX3	$	105,024	237,608
11XXXX4		187,605	247,453
A1XXXX1		105,681	163,837
11XXX03		26,361	55,021
Other (net amount less than 5%)		1,654,639	1,911,945
	$	2,079,310	2,615,864
Less: construction in progress			(2,079,310)
Net amount			536,554

The net billings on construction-in-progress abovementioned under the completed-contract method and percentage-of-completion method were $302,701 and $233,853, respectively.

		March 31,2011	
Construction Project		Construction in progress	Billings on construction in progress
N311XXX1	$	2,101	78,118
100XXX2		333,511	370,947
100XXX1		30,606	56,603
N309XXX8		218,646	244,510
101XXX1		10,774	33,775
87XX1		300,461	322,120
Other (net amount less than 5%)		835,676	1,040,276
	$	1,731,775	2,146,349
Less: construction in progress			(1,731,775)
Net amount			414,574

The net billings on construction-in-progress abovementioned under the completed-contract method and percentage-of-completion method were $164,029 and $250,545, respectively.

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

3. Significant construction-in-progress projects (more than 20% of common stock) were as follows:

March 31,2012					
Industry	**Contract prices**	**Estimated total costs**	**Percentage of completion**	**Expected year of completion**	**Accumulated construction profit (loss)**
Percentage-of-completion method:					
General	3,440,866	3,159,768	0~99	101~103	108,531
Semiconductor	1,716,878	1,744,430	2~82	101~102	(46,731)
Opto-electronic	125,373	109,637	81	101	12,802
Other technology	550,162	418,452	34	101	44,917
Completed-contract method:					
General	166,667	161,667	31	101	-
Semiconductor	501,540	475,208	70~73	101	-
Opto-electronic	1,543,418	1,393,760	37~98	101	-
Other technology	723,965	577,641	3~88	101	-

March 31,2011					
Industry	**Contract prices**	**Estimated total costs**	**Percentage of completion**	**Expected year of completion**	**Accumulated construction profit (loss)**
Percentage-of-completion method:					
General	2,164,269	1,991,434	0~97	100~102	64,873
Semiconductor	282,998	257,773	82	100	8,258
Opto-electronic	1,115,261	994,943	70~85	100	95,171
Other technology	566,091	515,755	80~98	100	41,678
Completed-contract method:					
General	455,152	323,961	0~41	100	-
Semiconductor	1,261,037	1,200,900	0~82	100	(2,282)
Opto-electronic	1,645,345	1,542,156	0~83	100 ~101	(5,011)
Other technology	679,574	641,649	73~95	100	-

(f) Investments accounted for using equity method

		March 31,2012		March 31,2011	
		Book value	**Percentage of ownership**	**Book value**	**Percentage of ownership**
SCEC International (HK) Company Limited	$	11,882	45.00	-	-
Leading Tek Corporation		65	32.26	65	32.26
	$	11,947		65	

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

The abovementioned long-term investments were not pledged.

The Company recorded loss on investment under the equity method of $3,251 and $0 for the three months ended March 31, 2012 and 2011, respectively.

In order to expand business in Mainland China, the Company invested USD605 thousand in SCEC International (HK) Company Limited through Sheng Huei International Co., Ltd. in the first three quarters of 2011. The percentage of holding became 45%. The Company also indirectly founded SCEC International (Shanghai) Company Limited. The Company accumulatively invested 4,815 thousand US dollars in Sheng Huei International Co., Ltd. as of March 31, 2012.

(g) Lease assets

	March 31	
	2012	**2011**
Cost:	$ 20,937	20,937
Land	12,561	12,561
Buildings	86	86
Equipment	33,584	33,584
	$ (1,775)	(1,430)
Less: depreciation	**31,809**	**32,154**

The board of directors of Acter resolved in November 2006 to purchase the building on Chiang Kai-shek Road, Taichung, for self-use or lease purposes. As to March 31, 2012, the future receivable for the Company was as follows:

Term	**Amount**
2012.04.01~2013.08.09	**$ 1,345**

(h) Short-term borrowings

	March 31	
	2012	**2011**
Letter of credit borrowings	$ 27,090	-
Pledged borrowings	43,974	80,044
	$ **71,064**	**80,044**
Unused facilities	$ **2,600,515**	**1,454,364**
Interest rate	**1%~ 7.544%**	**1.6%~1.7 %**

For the abovementioned pledged borrowings were secured by a time deposit and restricted savings account. Please refer to note 6.

(i) Stockholders' equity

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

1. Common stock

Pursuant to a resolution by the board of the directors on September 20, 2011, Acter increased its common stock by issuing 4,600 thousand shares for cash at $86.5 per share. This capital increase was registered with the government authorities. The record date for this capital increase was November 18, 2011.

As of March 31, 2012 and 2011, the authorized common stock was $720,000 and the issued common stock amounted to $461,359 and $415,359, respectively, with par value of $10 per share.

2. Capital surplus

According to the revised ROC Company Act, effective from January 2012, capital surplus shall be used to offset accumulated deficits before it can be used to increase common stock or distribute cash dividends. The aforementioned capital surplus includes premium from issuing stock and donations received. Pursuant to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the sum total of capital surplus capitalized per annum shall not exceed 10% of the issued capital.

3. Legal reserve

According to the revised ROC Company Act, 10 percent of the annual earnings after payment of income taxes due and offsetting accumulated deficits, if any, shall be allocated as legal reserve until the accumulated legal reserve equals the issued common stock. When a company incurs no loss, it may, pursuant to a resolution to be adopted by a stockholders' meeting, distribute its legal reserve to stockholders by issuing new shares or by cash, and only the portion of legal reserve which exceeds 25 percent of the issued capital may be distributed.

4. Special reserve

According to ROC SFB regulations, a publicly listed company should retain a special reserve equal to any contra account of deduction from stockholders' equity such as foreign currency translation adjustments before distribution of earnings. If the aforementioned deduction from stockholders' equity is reversed, the same amount could be removed from special reserve and transferred to unappropriated earnings.

5. Distribution of earnings and dividend policy

According to Acter's articles of incorporation, 10% of the annual earnings, after offsetting any accumulated deficit and payment of income taxes due, if any, shall be set aside as a legal reserve. In addition, a special reserve in accordance with applicable laws and regulations shall also be set aside. The remainder of such appropriation should be as follows:

(Continued)

(i) 2% or more as bonuses to employees. However, Acter may include employees of subsidiaries in profit sharing in the form of stock.

(ii) 3% as remuneration to directors.

(iii) After deducting items (i) and (ii) above from the net current profits, profit sharing to employees of not less than 10%; the distribution of the remaining portion including the previous years unappropriated earnings, if any, will be recommended by the board of directors and resolved in the stockholders' meeting.

For the three months ended March 31, 2012 and 2011, the employee bonuses and remuneration to directors and supervisors were based on the Company's net income for the years then ended, the board of directors estimated the amount by taking into consideration the Company's articles of incorporation. Accordingly, the Company recognized and accrued employee bonuses of $2,784 and $4,161 For the three months ended March 31, 2012 and 2011, respectively. The Company also recognized remuneration to directors and supervisors of $3,410 and $6,150 For the three months ended March 31, 2012 and 2011, respectively. For employee stock bonuses, the distribution amount is determined by dividing the total approved bonus amount by the closing market price of the Company's stock one day prior to the approved date and considering the ex-dividend effect. However, if the amounts are modified by the stockholders' meeting in the following year, the adjustment will be treated as a change in accounting estimate and will be reflected in the statement of income in the actual distribution year.

The actual distribution of employee bonuses and directors' and supervisors' remuneration For the three months ended March 31, 2012 and 2011 was subject to the proposal of the board of directors and a resolution of the stockholders' meeting. Relevant information would be available on the Market Observation Post System of the Taiwan Stock Exchange after the above-mentioned meetings.

Distribution of earnings for 2011 and 2010 was proposed by the board of directors of Acter and ratification by the shareholders' meeting of Acter on February 29, 2012 and June 15,2011. The retained earnings distributed as dividends, bonus paid to employees, directors and supervisors are disclosed as following:

		2011	2010
Dividends per share:			
Cash	$	10.00	10.00
Employees' bonuses－cash	$	17,232	14,070
Directors' and supervisors' remuneration		14,428	19,248
	$	31,660	33,318

There was no difference occurring between the shareholders resolution and financial report in the distribution of earnings for 2010. The bonus paid to employees, directors and supervisors of the distribution of earnings for 2011 is $31,600. The distribution of earnings for 2011 was proposed by the Acter's board but wait for the shareholder's resolution. The related information would be available on the Market Observation Post System of the Taiwan Stock Exchange after the above-mentioned meetings.

(Continued)

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

(j) Earnings per common share ("EPS")

	March 31			
	2012		2011	
	Before Taxes	After Taxes	Before Taxes	After Taxes
Basic earnings per common share:				
Net income	$ 166,562	121,377	282,232	212,156
Weighted-average common shares outstanding (thousand shares)	46,136	46,136	41,536	41,536
Basic earnings per common share (NTD)	$ 3.61	2.63	6.79	5.11
Diluted earnings per common share:				
Net income	$ 166,562	121,377	282,232	212,156
Weighted-average common shares outstanding (thousand shares)	46,136	46,136	41,536	41,536
Diluted weighted-average common shares outstanding (thousand shares)	222	222	116	116
	46,358	46,358	41,652	41,652
Diluted earnings per common share (NTD) －retroactively adjusted	$ 3.59	2.62	6.78	5.09

(k) Financial instruments

1.Derivative financial instruments

The Company signed forward foreign currency exchange contracts with banks. The contracts' purpose is to manage the foreign exchange rate risk exposure of foreign operations. The instruments do not satisfy the conditions for applying hedge accounting, and are recorded as financial liabilities carried at fair value. The forward foreign currency exchange contracts had been delivery and the profit is $42 for the three months of 2012, recorded in miscellaneous loss. All forward foreign currency exchange contracts had expired on March 31, 2012.

2. The following methods and assumptions were used to estimate the fair value of each class of financial instruments:

(i) The fair value of financial instruments at fair value through profit or loss is the active market quoted price if it is available. If an active market quoted price is unavailable, the Company will determine the fair value based on an evaluation method, and the estimates and assumptions incorporated in such evaluation are consistent with those used by market participants in their pricing of financial instruments.

(ii) The Company's non-derivative financial assets or liabilities with short maturities include notes and accounts receivable (including related parties), other financial assets, refundable deposit, notes and accounts payable (including related parties), and salary and wages payable, whose fair value was estimated based on book value at the balance sheet date. The carrying amounts approximate their fair value due to the short maturities of these items.

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

(iii) It is not practicable to determine the fair values of financial assets carried at cost when these investments are not publicly traded. Refer to note 4(c) for the details.

3. As of March 31, 2012 and 2011, the fair values of the Company's financial assets and liabilities determined by publicly quoted market prices, if available, or determined using a valuation technique were as follows:

	March 31			
	2012		2011	
	Publicly quoted market price	Fair value based on valuation technique	Publicly quoted market price	Fair value based on valuation technique
Financial assets:				
Cash and cash equivalents (including restricted)	$ 1,831,173	-	1,061,069	-
Available-for-sale financial assets (including restricted)	207,206	-	575,574	-
Notes and accounts receivable (including related parties)	-	1,716,041	-	1,405,956
Other financial assets－current	-	97,267	-	93,324
Refundable deposit	-	11,238	-	10,149
Financial liabilities:				
Short-term borrowings	71,064	-	80,044	-
Notes and accounts payable (including related parties)	-	1,983,132	-	1,828,468
Salary and wages payable	-	84,159	-	82,404

4. Financial risk information

(i) Market risk

Beneficiary certificates and listed stock held by the Company are presented under financial assets measured at fair value or available-for-sale financial assets. Such assets are measured at fair value, and the Company is exposed to market price volatility. In order to prevent the foreign exchange risk of purchases in Japanese Yen, theCompany engaged in forward currency contracts to hedge. In this way, the potential exchange gain or loss generated by foreign assets or liabilities would be offset by those generated by the hedge instruments, and result in minor impact on the Company.

(ii) Credit risk

The Company's potential credit risk is derived primarily from cash, beneficiary certificates, and accounts receivable. The Company maintains its cash in various creditworthy financial institutions and purchases funds and commercial paper issued by companies with good credit ratings. Credit risk exposure to each financial institution is controlled by the

Company. As a result, the Company believes that there is no concentration of credit risk in cash and beneficiary certificates.

As of March 31, 2012 and 2011, accounts representing 27% and 32%, respectively, of the Company’s notes and accounts receivable (including related parties) were from a group of seven customers. However, the Company evaluates the collectibility of trade receivables and provides adequate reserves for bad debts, if necessary. The management of the Company expects no significant loss from credit risk in the near future.

(iii) Liquidity risk

There is no liquidity risk of being unable to raise capital to settle contract obligations since the Company has sufficient capital and working capital to fulfill contract obligations. As there is no open market for the financial assets carried at cost, they are subject to liquidity risk.

(iv) Cash flow risk resulting from changes in interest rates and exchange rate

The financial assets of the Company with cash flow risk resulting from a change in interest rates were $1,044,722 and $913,186 as of March 31, 2012 and 2011, respectively. The financial liabilities of the Company with cash flow risk resulting from a change in interest rates were $71,064 and $80,044 of March 31, 2012 and 2011, respectively.

(5) Related-party Transactions

(a) Name and relationship

Name of related party	Relationship with the consolidated companies
Marketech International Corp. (Marketech)	The chairman of Marketech is a director of Acter
Xiang-Hui Development Ltd. (Xiang-Hui)	Xiang-Hui is a corporate director of Acter

(b) Significant transactions with related parties

1. Construction revenue, other operating revenue, and accounts receivable

The Company recognized contracting revenues from related parties was $0 and $78,131 for the three months ended 2012 and 2011, respectively.

The Company has accounts receivable from related parties was $0 and $ 219,484 in the first quarter ended 2012 and 2011, respectively.

Receivable and collection terms for the construction contracts with related parties are determined by the market mechanism and present no significant difference from those with third-party vendors.

2. Construction cost, notes payable, and accounts payable：

The Company recognized contracting sub-contracting costs from related parties was $39 and $497 for the three months ended 2012 and 2011, respectively.

The Company has accounts payable from related parties was $73 and $ 2,455 in the first quarter ended 2012 and 2011, respectively.

The purchase price and terms of the payments for the construction contracts with related parties present no significant difference from those with third-party vendors.

(6) Pledged Assets

		Book value March 31 2012	Book value March 31 2011
Restricted asset－current:			
Restricted deposit account	Credit guarantee loan	$ -	9
Restricted deposit account	Short-term borrowing limit for Acter Shenzhen	-	6,178
Savings deposit / time deposit / Multi asset Principal Guaranteed Notes	Construction contract fulfillment and warranty guarantee	17,817	77,660
		17,817	83,847
Restricted asset－noncurrent: deposit	warranty guarantee	6,656	-
Land and building (including lease asset)	Short-term borrowing limit	76,810	77,791
		$ **101,283**	**161,638**

Multi asset Principal Guaranteed Notes refers to the 3-year international bond issued by Deutsche Bank which, as of March 31, 2012 and 2011, amounted to USD80 thousand, at a cost of $2,613, and had fair value of $2,362 and $2,353, respectively.

(7) Commitments and Contingencies

Except disclosure in note 5. Significant commitments and contingencies for the Company for the three months ended March 31, 2012 and 2011, were as follows:

(i) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to $442,159 and $398,580, respectively.

(ii) Fulfillment pledged by the bank for engaging in construction contracts amounted to $188,229 and $410,721, respectively.

(iii) Contract guarantee fulfillment and warranty guarantee (excluding related parties) for the competitive corporations amounted to $963,180 and $147,084, respectively.

(iv) Outstanding letters of credit were $2,333 and $0, respectively.

(v) For already signed but not yet finished significant construction contracts, please refer to note 4(e).

(8) Casualty loss: None.

(9) Subsequent Events: None.

(10) Other Information

(a) Liquidity for currency assets and liabilities related with construction business- was as follows:

	March 31, 2012		
	Expect to receive or pay within 12 months	Expect to receive or pay in over 12 months	Ending balance
Assets:			
Notes and accounts receivable	$ 1,687,894	28,147	1,716,041
Construction refundable deposit (recorded as other financial assets – current)	77,890	1,272	79,162
Restricted assets – current	13,090	4,727	17,817
	$ 1,778,874	34,146	1,813,020
Liabilities:			
Notes and accounts receivable	$ 1,925,860	57,199	1,983,059
Payables to related parties	73	-	73
	$ 1,925,933	57,199	1,983,132

	March 31, 2011		
	Expect to receive or pay within 12 months	Expect to receive or pay in over 12 months	Ending balance
Assets:			
Notes and accounts receivable	$ 1,133,857	52,615	1,186,472
Receivables from related parties	212,224	7,260	219,484
Construction refundable deposit (recorded as other financial assets – current)	77,678	371	78,049
Restricted assets – current	76,951	6,896	83,847
	$ 1,500,710	67,142	1,567,852
Liabilities:			
Notes and accounts receivable	$ 1,733,529	92,484	1,826,013
Payables to related parties	2,455	-	2,455
	$ 1,735,984	92,484	1,828,468

(b) The significant financial assets and liabilities in foreign currency were as follows (in thousands):

	March 31,2012			March 31,2011		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets:						
Monetary items:						
USD	2,374	29.53	70,104	22,777	29.42	670,099
RMB	213,127	4.69	999,310	137,004	4.49	615,148
SGD	1,319	23.50	30,999	1,155	23.35	26,969
Financial liabilities:						
Monetary items:						
USD	123	29.53	3,632	21,753	29.42	639,973
RMB	156,119	4.69	732,011	142,506	4.49	639,852
SGD	209	23.50	4,912	1,285	23.35	30,005

(11) Segment Information

(a) General information

There are three segments that need be to reported: Taiwan, Mainland China, and other Asian. The Taiwan segment provides engineering, maintenance, sales and other services in the Taiwan area. The Mainland China segment provides engineering services in Mainland China The other Asian segment provides engineering services in Vietnam, Singapore, Malaysia and other Asian countries.

The reported segments are strategic business units and render products and services in different areas. Since each strategic business unit is located in a different environment, they require different administration strategies and are managed separately. Most of the business units were founded by the Company, and the management teams have been cultivated by the Company as well.

The Company has allocated unusual income (loss) and tax expense (profit) to the reportable segments. The income for the reported segments includes significant non-cash items exclusive of depreciation and amortization. The reported amounts are in accordance with the report used by the decision maker of the operation. The accounting policies used by the operating segments are the same as in note 2. The performance of the segments is evaluated by operating income and net income.

(b) Segment information

	For the three months ended March 31, 2012				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Sales to external customers	$ 904,348	606,052	49,175	-	1,559,575
Sales among segments	174,727	1,546	-	(176,273)	-
Total income	**$ 1,079,075**	**607,598**	**49,175**	**(176,273)**	**1,559,575**
Segment profit (loss)					
Depreciation and amortization	**$ 81,089**	**46,015**	**(2,476)**	**(3,251)**	**121,377**
Segment assets	**$ 3,664,529**	**2,229,135**	**487,902**	**(375,855)**	6,005,711
Long-term investments under equity method					11,947
Total assets					**$ 6,017,658**

	For the three months ended March 31, 2011				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Sales to external customers	$ 998,741	931,818	23,930	-	1,954,489
Sales among segments	11,299	(798)	1,014	(11,515)	-
Total income	**$ 1,010,040**	**931,020**	**24,944**	**(11,515)**	**1,954,489**
Segment profit (loss)	**$ 131,237**	**82,376**	**(2,411)**	**954**	**212,156**
Depreciation and amortization					
Segment assets	**$ 3,332,698**	**1,776,234**	**69,864**	**(139,494)**	5,039,302
Long-term investments under equity method					65
Total assets					**$ 5,039,367**