Acter Co. Ltd. and Subsidiaries

Consolidated Financial Statements

September 30, 2013 and 2012

(With Independent Auditor's Review Thereon)

Independent Auditors' Review Report

The Board of Directors
Acter Co., Ltd.:

We have reviewed the accompanying consolidated balance sheets of Acter Co., Ltd. (Acter) and subsidiaries as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012 and the related consolidated statements of comprehensive income for the three-months and nine-months periods ended September 30, 2013 and 2012 and for the nine months ended September 30, 2013 and 2012, changes in equity, and cash flows for the nine months ended September 30, 2013 and 2012. These consolidated interim financial statements are the responsibility of the Acter's management. Our responsibility is to express a conclusion on these consolidated interim financial statements based on our review.

Except as discussed in the third and fourth paragraph, we conducted our reviews in accordance with Statement on Auditing Standard No. 36, "Engagement to Review Financial Statements". A review consists principally of applying analytical procedures to financial data and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit in accordance with auditing standards generally accepted in the Republic of China, the objective of which is the expression of an opinion regarding the consolidated interim financial statements taken as a whole. Accordingly, we do not express such an opinion.

The financial statements of certain subsidiaries were consolidated based on their unreviewed financial statements. The total assets of these subsidiaries amounted to NT$1,369,342 thousand, NT$674,748 thousand, NT$1,726,755 thousand and NT$1,167,035 thousand, representing 21%, 10%, 26% and 17% of the related consolidated total assets and the total liabilities amounted to NT$735,313 thousand, NT$273,258 thousand, NT$1,048,398 thousand and NT$769,855 thousand, representing 20%, 7%, 27% and 18% of the related consolidated liabilities as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, respectively. The total comprehensive income of these subsidiaries amounted to NT$(13,921) thousand NT$22,368 thousand, NT$8,768 thousand and NT$75,844 thousand, representing (16)% , 13%, 2% and 15% of the related consolidated comprehensive income for the three-months and nine-months periods ended September 30, 2013 and 2012, respectively.

The financial statements of equity-accounted investee were not reviewed by independent accountants. Long-term investment in the company amounted to NT$3,238 thousand, NT$3,620 thousand, NT$11,857 thousand and NT$15,562 thousand, as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, respectively, and the related investment loss amounted to NT$266 thousand, NT$3,824 thousand, NT$59 thousand and NT$9,089 thousand for the three-months and nine-months periods ended September 30, 2013 and 2012, respectively.

Based on our reviews, except for the effects of such adjustments, if any, as might have been determined to be necessary had the financial statements of some consolidated subsidiaries and the equity-accounted investee been reviewed as described in the preceding paragraphs, we are not aware of any material modifications that should be made to the consolidated financial statements referred to the first paragraph for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and guidelines. International Financial Reporting Standard 1, "First-time adoption of International Financial Reporting Standards" and International Accounting Standards No. 34, "Interim Financial Reporting" which are endorsed by the Financial Supervisory Commission, Republic of China.

Hsinchu, Taiwan (the Republic of China)

November 12, 2013

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' review 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.

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

September 30, 2013, December 31, 2012, September 30, 2012 And January 1, 2012

(In Thousands of New Taiwan Dollars)

		September 30, 2013		December 31, 2012		September30, 2012		January 1, 2012	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:								
1100	Cash and cash equivalents (Note 6(1))	$ 1,028,662	16	1,934,995	28	1,621,752	25	1,934,358	28
1125	Available-for-sale financial assets－current (Note 6(2))	340,710	5	248,842	4	337,970	5	82,143	1
1150	Notes receivable, net (Note 6(3))	119,795	2	257,690	4	172,592	3	280,800	4
1170	Accounts receivable, net (Note 6(3))	1,987,111	31	1,718,670	26	1,698,810	26	1,672,137	25
1180	Receivables from related parties (Note 7)	2,401	-	6,522	-	-	-	340,642	5
1190	Construction contracts receivable (Note 6(4) and 7)	1,353,573	21	1,049,431	15	1,041,502	16	1,115,400	16
1200	Other receivables (Note 6(3))	36,483	1	31,041	-	26,595	1	39,353	1
1210	Other receivables from related parties (Note 7)	10,894	-	11,931	-	10,778	-	-	-
1301	Inventories, net (Note 6(5))	770,376	12	790,922	11	805,113	12	789,250	11
1476	Other financial assets－current (Note 8)	83,827	1	71,680	1	83,105	1	106,693	2
1479	Other current assets (Note 6(2))	202,742	3	331,497	5	310,499	5	148,743	2
		5,936,574	92	6,453,221	94	6,108,716	94	6,509,519	95
	Non-current assets:								
1523	Available-for-sale financial assets－noncurrent (Note 6(2))	8,692	-	6,942	-	14,342	-	22,692	-
1550	Investment accounted for using equity method (Note 6(6))	3,238	-	3,620	-	11,857	-	15,562	-
1600	Property, plant and equipment (Note 6(7))	332,477	5	340,451	5	323,779	5	267,533	4
1760	Investment property, net (Note 6(8))	31,292	1	31,550	-	31,637	-	31,895	-
1840	Deferred tax assets	29,016	1	27,954	-	18,019	-	9,117	-
1985	Long-term prepaid rents	40,377	1	36,974	1	37,123	1	38,862	1
1990	Other non-current assets(Note 6(2))	27,063	-	22,888	-	17,996	-	20,978	-
		472,155	8	470,379	6	454,753	6	406,639	5
	Total Assets	$ 6,408,729	100	6,923,600	100	6,563,469	100	6,916,158	100

		September 30, 2013		December 31, 2012		September30, 2012		January 1, 2012	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:								
2100	Short-term loans (Note 6(10) and 8)	$ 253,989	4	152,160	2	122,551	2	160,166	2
2150	Notes payable	139,895	2	196,567	3	188,705	3	397,022	6
2170	Accounts payable(Note 6(9))	2,003,798	31	2,051,389	30	1,860,516	28	1,862,434	27
2180	Payables to related parties (Note 7)	12,389	-	-	-	-	-	10,272	-
2190	Construction contracts payable (Note 6(4) and 7)	314,249	5	391,275	6	691,678	11	588,118	9
2200	Other payables	92,561	2	136,055	2	89,641	1	129,184	2
2230	Current tax liabilities(Note 6(12))	45,499	1	112,817	2	40,768	1	126,235	2
2311	Advance sales receipts	504,865	8	702,074	10	594,440	9	719,605	10
2399	Other current liabilities	88,713	1	136,419	2	98,992	1	128,101	2
		3,455,958	54	3,878,756	57	3,687,291	56	4,121,137	60
	Non-current liabilities:								
2570	Deferred tax liabilities	190,376	3	180,562	3	203,636	3	155,910	2
2640	Accrued pension liabilities (Note 6(11))	32,068	1	33,110	-	30,191	-	31,097	-
2645	Guarantee deposit received	312	-	312	-	312	-	312	-
		222,756	4	213,984	3	234,139	3	187,319	2
	Total Liabilities	3,678,714	58	4,092,740	60	3,921,430	59	4,308,456	62
	Equity Attributable to Shareholders of the parent company (Note 6(13)):								
3110	Common stock	461,359	7	461,359	7	461,359	7	461,359	7
3211	Capital surplus	896,599	14	896,599	13	896,599	14	896,599	13
3300	Retained earnings	1,373,031	21	1,495,529	22	1,330,702	20	1,264,056	18
3400	Other equity interest	(974)	-	(22,627)	(2)	(46,621)	-	(14,312)	-
	Total Equity	2,730,015	42	2,830,860	40	2,642,039	41	2,607,702	38
	Total Liabilities And Equity	$ 6,408,729	100	6,923,600	100	6,563,469	100	6,916,158	100

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements Of Comprehensive Income

For The Three Months Ended September 30, 2013 And 2012 and For The Nine Months Ended September 30, 2013 And 2012

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

	Three Months ended September 30				Nine Months ended September 30			
	2013		2012		2013		2012	
	Amount	%	Amount	%	Amount	%	Amount	%
Operating revenues:								
4521 Construction revenue (Note 6(4)and7)	$1,550,952	81	1,708,070	90	5,590,967	86	4,897,482	83
4529 Less: allowances	(846)	-	(325)	-	(4,173)	-	(1,436)	-
	1,550,106	81	1,707,745	90	5,586,794	86	4,896,046	83
4110 Sales	342,345	18	188,022	10	860,696	13	945,452	16
4800 Other operating revenue	9,653	1	8,713	-	33,876	1	33,677	1
	1,902,104	100	1,904,480	100	6,481,366	100	5,875,175	100
Operating cost:								
5520 Construction cost(Note7)	1,399,455	74	1,421,610	75	4,998,837	77	4,133,745	71
5110 Cost of goods sold (Note 6(5))	270,029	14	136,185	7	711,361	11	775,280	13
5800 Other operating cost	1,378	-	2,047	-	5,949	-	6,324	-
	1,670,862	88	1,559,842	82	5,716,147	88	4,915,349	84
Gross profit	231,242	12	344,638	18	765,219	12	959,826	16
Operating expenses:								
6100 Selling	30,447	2	19,753	1	87,655	1	66,187	1
6200 General and administrative	74,995	4	73,856	4	230,580	4	202,097	3
6300 Research and development	13,824	1	-	-	25,723	-	-	-
	119,266	7	93,609	5	343,958	5	268,284	4
Operating income	111,976	5	251,029	13	421,261	7	691,542	12
Non-operating income and expenses:								
7050 Finance costs	(1,655)	-	(1,247)	-	(4,242)	-	(2,914)	-
7010 Other income(Note6(15))	(2,015)	-	5,554	-	26,963	-	15,336	-
7060 Share of loss of associates accounted for using equity method	(266)	-	(3,824)	-	(59)	-	(9,089)	-
7020 Other gains and losses, net(Note6(15))	14,345	1	(670)	-	17,645	-	940	-
	10,409	1	(187)	-	40,307	-	4,273	-
7900 **Profit before tax**	122,385	6	250,842	13	461,568	7	695,815	12
7950 **Income tax expense** (Note6(12))	22,702	1	63,104	3	122,565	2	167,743	3
8200 **Profit for the period (attributable to shareholders of the parent)**	**99,683**	**5**	**187,738**	**10**	**339,003**	**5**	**528,072**	**9**
Other comprehensive income, net of tax：								
8310 Foreign currency translation differences－foreign operations	(16,659)	(1)	(8,163)	-	28,344	1	(28,397)	(1)
8325 Net change in fair value of available-for-sale financial assets	4,019	-	(10,705)	(1)	(6,579)	-	(3,912)	-
	(12,640)	(1)	(18,868)	(1)	21,765	1	(32,309)	(1)
8500 **Comprehensive income for the period(attributable to shareholders of the parent)** $	**87,043**	**4**	**168,870**	**9**	**360,768**	**6**	**495,763**	**8**
Earnings per share ((attributable to shareholders of the parent))								
9750 **Basic earnings per share** $		**2.16**		**4.07**		**7.35**		**11.45**
9850 **Diluted earnings per share** $		**2.16**		**4.07**		**7.30**		**11.40**

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements Of Changes In equity

For The Nine Months Ended September 30, 2013 And 2012

(Expressed in Thousands of New Taiwan Dollars)

	Attributable to Shareholders of the Parent									
			Retained earnings				Other equity interest			
	Common stock	Capital surplus	Legal reserve	Special reserve	Unappro- priated earnings	Total	Foreign currency translation adjustments	Unrealized gains(losses) on available-for-sale financial assets	Total	Total equity
Balance, January 1, 2012	$ 461,359	896,599	160,418	11,930	1,091,708	1,264,056	-	(14,312)	(14,312)	2,607,702
Appropriation of earnings										
Legal reserve			55,966		(55,966)					
Special reserve				27,860	(27,860)					
Cash dividends					(461,358)	(461,358)				(461,358)
Changes in equity of associates and joint ventures accounted for using equity method					(68)	(68)				(68)
Profit for the period					528,072	528,072				528,072
Other comprehensive income for the period	-	-	-	-	-	-	(28,397)	(3,912)	(32,309)	(32,309)
Total comprehensive income for the period	-	-	-	-	528,072	528,072	(28,397)	(3,912)	(32,309)	495,7633
Balance, September 30, 2012	**$ 461,359**	**896,599**	**216,384**	**39,790**	**1,074,528**	**1,330,702**	**(28,397)**	**(18,224)**	**(46,621)**	**2,642,039**
Balance, January 1, 2013	$ 461,359	896,599	216,384	39,790	1,239,355	1,495,529	(27,235)	4,608	(22,627)	2,830,860
Appropriation of earnings										
Legal reserve			70,953		(70,953)					
Reversal of provision special reserve				(143)		(143)				(143)
Cash dividends					(461,358)	(461,358)				(461,358)
Profit for the period	-	-	-	-	339,003	339,003	-	-	-	339,003
Other comprehensive income for the period	-	-	-	-	-	-	28,344	(6,579)	21,765	21,765
Total comprehensive income for the period	-	-	-	-	339,003	339,003	28,344	(6,579)	21,765	360,768
Disposal of investments accounted for using equity method	-	-	-	-	-	-	(112)	-	(112)	(112)
Balance, September 30, 2013	**$ 461,359**	**896,599**	**287,337**	**39,647**	**1,046,047**	**1,373,031**	**997**	**(1,971)**	**(974)**	**2,730,015**

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Consolidated Statements Of Cash Flows

For The Nine Months Ended September 30, 2013 And 2012

(All Amount Expressed in Thousands of New Taiwan Dollars)

	For the nine months Ended September 30	
	2013	**2012**
Cash flows from operating activities:		
Profit before tax	$ 461,568	695,815
Adjustments:		
Items with no cash flow		
Depreciation	14,297	10,422
Amortization	4,413	4,346
Provision (reversal of provision) for bad debt expense	17,567	(2,021)
Inventory valuation losses and Loss on retirement	22,250	72
Share of loss of associates accounted for using equity method	59	9,090
Loss (gain) on disposal of investments	(2,357)	(2,750)
Other	(1,565)	(6,266)
	54,664	12,893
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	137,895	108,208
Accounts receivable	(287,437)	(24,652)
Construction contracts receivable	(304,142)	73,898
Inventories	(1,704)	(15,935)
Other operating assets	116,728	202,280
	(338,660)	343,799
Changes in operating liabilities		
Notes payable	(56,672)	(208,317)
Accounts payable	(47,591)	(1,918)
Construction contracts payable	(77,026)	103,560
Provisions	(197,209)	(125,165)
Other current liabilities	(80,377)	(79,837)
	(458,875)	(311,677)
	(797,535)	32,122
Total adjustments	(742,871)	45,015
Cash inflow (outflow) generated from operations	(281,303)	740,830
Interest received	6,114	9,213
Interest paid	(3,718)	(2,907)
Income taxes paid	(187,652)	(209,963)
Net cash generated by (used in) operating activities	(466,559)	537,173
Cash flows from investing activities:		
Proceeds from disposal of financial assets at amortised cost	-	2,423
Acquisition of available-for-sale financial assets	(249,476)	(553,784)
Proceeds from disposal of available-for-sale financial assets	151,814	304,056
Acquisition of property, plant and equipment	(6,389)	(68,035)
Proceeds from disposal of property, plant and equipment	325	14
Increase in other non-current assets	(5,747)	(1,510)
Net cash used in investing activities	(109,473)	(316,836)
Cash flows from financing activities:		
Addition (decrease) in short-term loans	101,829	(37,615)
Cash dividends	(461,358)	(461,358)
Net cash used in financing activities	(359,529)	(498,973)
Effect of exchange rate changes on cash and cash equivalents	29,228	(33,970)
Net decrease in cash and cash equivalents	(906,333)	(312,606)
Cash and cash equivalents at beginning of period	1,934,995	1,934,358
Cash and cash equivalents at end of period	$ 1,028,662	1,621,752

See accompanying notes to consolidated financial statements.

Reviewed only, not audited in accordance with the generally accepted auditing standards.

Acter Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

September 30, 2013 and 2012

(Expressed in thousands of New Taiwan dollars, unless otherwise specified)

1. **Organization and business scope**

Acter Co., Ltd. ("Acter") was incorporated on February 19, 1979, Registration address is 33F,No.787, Jhongming S.Rd., Taichung under the approval of the Ministry of Economic Affairs, R.O.C. The consolidated financial statements of the Company as of and for the three months ended March 31, 2013 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities") and the Group's interest in associates and jointly controlled entities. 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. The principal operating activities of the rest of the Group entities are described in Notes 4 (2). Acter's common shares were publicly listed on the Over-the-Counter Market ("OTC") on November 10, 2010.

2. **Approval date and procedures of the consolidated financial Statements**

The consolidated interim financial statements were reported to the Board of Directors on November 12, 2013.

3. **New standards and interpretations not yet adopted**

Regarding the new, revised or amended IFRSs, IASs, interpretations and related guidance been issued, the Company adopted consistent with the first quarter of 2013 consolidated financial statements.

As for the New Standards and interpretations disclosed in the consolidated financial statement as of and for the first quarter of 2013, the Group is still assessing the possible impact on the financial statements as result of the initial adoption.

4. **Summary of Significant accounting policies**

(1) Statement of compliance

These consolidated interim financial statements have been prepared in accordance with the preparation and guidelines of IAS 34 Interim Financial Reporting which are endorsed by FSC and do not include all of the information required for annual financial statements.

These are the Group's first IFRS consolidated interim financial statements for part of period covered by the first IFRS (Accredited by FSC) annual financial statements, and IFRS 1 First-time Adoption of International Financial Reporting Standards that have been applied. An explanation of how the transition to IFRS has affected the reported financial position, financial performance, and cash flows of the Group is provided in note 15.

The significant accounting policies presented in the consolidated interim financial statements is the same with the first quarter of 2013 consolidated financial statements and have been consistently adopted in the consolidated financial quarter reporting .The first prepared financial report under IFRS approved by FSC also adopted the some accounting policies, the related information, please refer to the first quarter of 2013 financial statements.

(2) Basis of preparation

The consolidated interim financial statements prepared in principle the same with the 2013 first quarter consolidated quarter report, consistent information please refer to the first quarter of 2013 consolidated financial report.

A. List of subsidiaries in the consolidated financial statements

			Shareholding ratio			
Investor	**Subsidiary**	**Nature of business**	**2013.9.30**	**2012.12.31**	**2012.9.30**	**2012.1.1**
(a)The Company	Nova Technology Corp. (Nova Tech)	Wholesaling of electronic and chemical equipment	100%	100%	100%	100%
	HerSuo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100%	100%	100%	100%
	Sheng Huei International Co., Ltd. (Sheng Huei International)	Holding company	100%	100%	100%	100%
	Nova Technology Singapore Pte., Ltd. (NTS)	Auto-supply system for semiconductors	100%	100%	100%	100%
(b) Nova Tech	Winmax Technology Corp.	Design and manufacture of air containers and liquid containers	100%	100%	100%	100%
(c) Sheng Huei International	Sheng Huei (Suzhou) Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%	100%	100%
	Acter Trading Co., Ltd.	Agent for electronic equipment importing and exporting	100%	100%	100%	100%
	Acter International Ltd. (Acter International)	Holding company and trading of clean rooms and air conditioners	100%	100%	100%	100%
	New Point Group Ltd. (New Point)	Holding company and trading of clean rooms and air conditioners	100%	100%	100%	100%
	Sheng Huei Engineering Technology Co., Ltd.	Set-up of electronic protection systems and central air conditioners	100%	100%	100%	100%
(d) NTS	Nova Technology Malaysia Sdn. Bhd.(NTM)	Auto-supply system for semiconductors	100%	100%	100%	100%
	Novanmex Indonesia,PT.(NMI) (Note 3)	Large machinery and equipment and other goods trading	99%	-	-	-
(e) Sheng Huei (Suzhou)	Shenzhen Ding –Mao Trade Co., Ltd. (Note 1)	Electronic equipment and	100%	100%	-	-

Investor	Subsidiary	Nature of business	Shareholding ratio 2013.9.30	2012.12.31	2012.9.30	2012.1.1
Enginering Co., Ltd.		machinery trading				
	SCEC (Suzhou) Corporation (Note 2)	Construction and set-up of electronic equipment and air conditioners	100%	-	-	-
(f) Acter International	Sheng Huei (Shenzhen) Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%	100%	100%
	Suzhou Ding-Mao Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%	100%	100%
(g) New Point	Zhangjiagang Free Trade Zone Fuyu Internation Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	100%	100%	100%	100%

Note 1: Sheng Huei (Suzhou) Engineering Co., Ltd. invested 100% shares of Shenzhen Ding-Mao in Shenzhen on October, 2012.

Note 2: Sheng Huei (Suzhou) Engineering Co., Ltd. invested 100% shares of SCEC (Suzhou) Corporation in Suzhou on February, 2013.

Note3: Nova Technology Singapore Pte., Ltd. invested 99% shares of Novanmex Indonesia,PT on July, 2013.

B.The Group's subsidiaries are all included in consolidation.

5. **Major sources of accounting assumptions, judgments and estimation uncertainty**

The preparation of the consolidated interim financial statements in conformity with IAS 34 "Interim financial reporting" approved by FSC requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparation of the consolidated interim financial statements, the major source of significant judgments and estimates of uncertainty made by the Company's management to choose the Company's accounting policy was the same with the first quarter consolidated financial report of 2013 and is expected to be in alignment with the first consolidated annual financial statements prepared in accordance with International Financial Reporting Standards endorsed by FSC.

6. **Significant account disclosure**

(1) Cash and cash equivalents

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Petty cash and cash on hand	$ 16,792	1,565	81,593	2,261
Checking and demand deposits	474,522	1,079,933	731,105	1,808,442
Time deposits	138,274	204,392	195,176	123,655
Cash equivalent – repurchased commercial paper	399,074	649,105	613,878	-
Cash and cash equivalents in the consolidated statement of cash flows	$ **1,028,662**	**1,934,995**	**1,621,752**	**1,934,358**

Refer to note 6(16) for the disclosure of sensitivity analysis and interest rate risk of the financial assets and liabilities of the Group.

(2) Investment in financial assets

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Current:				
Available-for-sale financial assets				
Beneficiary securities — open-end funds	$ 340,710	248,842	337,970	82,143
Financial assets carried at amortized cost				
The 3-year international bond issued by Deutsche Bank	-	-	-	2,423
Non-current:				
Available-for-sale financial assets				
Sunner Solar Corporation Co., Ltd.	8,692	6,942	14,342	22,692
Financial assets carried at cost				
Taichung International Entertainment Co., Ltd.	45	45	45	45
	$ 349,447	255,829	352,357	107,303

The aforesaid financial assets were not pledged as collateral, except for the financial assets carried at amortized cost. Please refer to note 8 for the information regarding the pledge for the financial assets carried at amortized cost.

The credit risk, currency risk and interest rate risk related to the financial instruments was disclosed in note 6(16).

(3) Notes 、 accounts and other receivable, net

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Notes receivable from operating activities	$ 119,795	257,690	172,592	280,800
Accounts receivable	2,049,396	1,761,959	1,721,985	1,697,866
Less: Allowance for impairment	(62,285)	(43,289)	(23,175)	(25,729)
	$ 1,987,111	1,718,670	1,698,810	1,672,137
Other receivables	$ 36,483	31,041	26,595	39,353

Impairment loss is the difference between the carrying amount and the amount expected to be collected. The Group does not hold any collateral for the collectible amounts.

The movement in the allowance for impairment with respect to trade 、note and other receivable during the periods were as follows:

	For the nine months Ended September 30	
	2013	**2012**
Balance, January 1	$ 43,289	25,729
Impairment loss recognized	17,567	(2,021)
Effect of exchange rate changes	1,429	(533)
Balance, September 30	**$ 62,285**	**23,175**

(4) Construction contracts

Construction contract revenue of the Group has been determined based on the percentage-of-completion method. The extent of completion is determined based on contract costs incurred for work performed to date in proportion to the estimated total contract costs. Any expected excess of total contract costs over total contract revenue is immediately recognized as construction cost.

	For the three months ended September 30		For the nine months ended September 30	
	2013	**2012**	**2013**	**2012**
Construction revenue recognized in the periods	$ 1,550,106	$ 1,707,745	$ 5,586,794	$ 4,896,046

	September 30,2013	**December 31,2012**	**September 30,2012**	**January 1,2012**
Accumulated construction costs incurred (including contract costs that relate to future activity)	11,856,118	12,410,956	9,510,120	5,776,379
Add: Accumulated construction profit and losses	990,774	1,491,151	1,139,360	481,594
	12,846,892	13,902,107	10,649,480	6,257,973
Less: Progress billings	(11,807,568)	(13,243,951)	(10,299,656)	(5,730,691)
	1,039,324	658,156	349,824	527,282
Construction contracts receivable presented as an asset	1,353,573	1,049,431	1,041,502	1,115,400
Construction contracts payable presented as a liability	(314,249)	(391,275)	(691,678)	(588,118)
	1,039,324	658,156	349,824	527,282
Accumulated advance received	5,169	509	82	3,540
Retention payable from construction contract	25,178	30,416	25,054	23,651

(5) Inventories

	September 30, 2013	**December 31, 2012**	**September 30, 2012**	**January 1, 2012**
Finished goods and merchandise	$ 394,252	441,390	440,527.	433,980
Work in process and semi-finished goods	330,565	262,732	305,316	313,160
Raw materials	68,032	87,023	59,466	42,233
	792,849	791,145	805,309	789,373

Less: provision for inventory devaluation	(22,473)	(223)	(196)	(123)
	$ 770,376	790,922	805,113	789,250
Carrying amount of inventories subject to pledge	-	-	-	-

For the three months ended September 30, 2013 and 2012 and for the nine months ended September 30, 2013 and 2012 respectively, the Group wrote down (reversed ~~up~~) an operating cost of $12,804,$(13),$22,250 and $72, from the write-down (reversal of write-down ~~up~~) of inventory cost to net realizable value.

(6) Investment in equity-accounted investees

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Associates	$ 3,238	3,620	11,857	15,562

Associates invested by the Company do not have quoted price and the investments accounted for using equity method were not pledged.

(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended September 30, 2013 and 2012 were as follows:

	Land	Building and construction	Other facilities	Unfinished construction and equipment under acceptance	Total
Cost:					
Balance on January 1, 2013	$ 151,631	153,198	87,233	-	392,062
Additions	-	-	6,389	-	6,389
Disposals	-	-	(8,717)	-	(8,717)
Reclassifications		(4,404)	603		(3,801)
Effect of movements in exchange rates	-	2,864	1,907	-	4,771
Balance on September 30, 2013	$ 151,631	151,658	87,415	-	390,704
Balance on 1 January, 2012	$ 151,631	87,994	66,073	4,842	310,540
Additions	-	-	11,819	56,216	68,035
Disposals	-	-	(2,335)	-	(2,335)
Reclassifications	-	895	7,777	(8,672)	-
Effect of movements in exchange rates	-	(415)	(1,320)	(504)	(2,239)
Balance on September 30, 2012	$ 151,631	88,474	82,014	51,882	374,001
Depreciation:					
Balance on January 1, 2013	$ -	11,632	39,979	-	51,611
Depreciation for the period	-	3,999	10,040	-	14,039
Disposals	-	-	(7,698)	-	(7,698)
Reclassifications		(1,539)	580		(959)
Effect of movements in exchange rates	-	218	1,016	-	1,234
Balance on September 30, 2013	$ -	14,310	43,917	-	58,227
Balance on 1 January 2012	$ -	8,118	34,889	-	43,007
Depreciation for the period	-	2,361	7,803	-	10,164
Disposals	-	-	(2,039)	-	(2,039)

Reclassifications		507	(507)		-
Effect of movements in exchange rates	-	(146)	(764)	-	(910)
Balance on September 30, 2012	$ -	10,840	39,382		50,222
Carrying amounts:					
Balance on January 1, 2013	$ 151,631	141,566	47,254	-	340,451
Balance on September 30, 2013	$ 151,631	137,348	43,498	-	332,477
Balance on January 1, 2012	$ 151,631	79,876	31,184	4,842	267,533
Balance on September 30, 2012	$ 151,631	77,634	42,632	51,882	323,779

Please refer to Note 8 for details of the property, plant and equipment pledged as collateral.

(8) Investment property

The Board of Directors of Acter resolved in November 2006 to purchase the building on Chiang Kai-shek Road, Taichung, for private use or lease purposes. As to September 30, 2013, the future receivable for the Company was as follows:

Term	Amount
2013.10.01~2015.05.31	$ 1,864

A. Investment property is measured at cost on initial recognition and subsequent valuation.

B. Its depreciation is calculated by depreciable amount after initial recognition. The fair value of investment property is deemed to be the market value, resulting in no impairment loss.

C. Investment property was not pledged as collateral.

(9) Provisions

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Warranty ready	$ 71,268	76,524	85,588	70,052

A. From January 1 to September 30,2013, the consolidated company's prospective liabilities were no significant changes, the relevant information, please refer to the first quarter financial quarterly report,2013.

B.The Group's warranty provision is estimated based on historical data of the construction contract. Most liabilities are expected to occur during the warranty period that is mentioned in the contract since completion of the construction.

(10)Short-term loans

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Unsecured bank loans	$ 178,778	93,069	92,990	90,969
Secured bank loans	75,211	59,091	29,561	69,197
Warranty ready	$ 253,989	152,160	122,551	160,166
Unused facilities	$ 2,414,210	2,547,863	2,671,488	2,152,191
Interest rate	1.5%~2.06%	1%~2.15%	1%~2.15%	1.25%~6.56%

For the following risk exposure information of the Group: interest, currency, and liquidity, please refer to Note 6(16).

For details of the related assets pledged as collateral, please refer to Note 8.

(11)Employee benefits

After the prior fiscal year's end, there are no material volatility of the market, no material reimbursement and settlement or other material one-time events. As a result, pension cost in the interim financial statements is measured and disclosed according to IAS 34 "Interim Financial Reporting".

A. Defined benefit plans

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Operating cost	$ 29	26	112	78
Operating expense	144	164	430	455
	$ 173	**190**	**542**	**533**

B. Defined contribution plans

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Operating cost	$ 10,697	5,410	22,705	15,720
Operating expense	3,585	2,019	10,135	5,944
	$ 14,282	**7,429**	**32,840**	**21,664**

(12)Taxes

Tax expense in the interim financial statements is measured and disclosed according to paragraph B12 of IAS 34 "Interim Financial Reporting."

The income tax expense were calculated as follows:

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Current income tax expense:				
Current period	$ 22,555	57,217	102,118	158,523
Additional 10% surtax on undistributed earnings	-	-	21,152	5,427
Prior-year adjustment	147	5,887	(705)	3,793
Income tax expense	**$ 22,702**	**63,104**	**122,565**	**167,743**

The amount of income tax benefit (expense) recognized in other comprehensive income were as follows:

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**

Foreign currency translation differences for foreign operations	$ (3,412)	(1,672)	5,805	(5,816)
Net change in fair value of available-for-sale financial assets	823	(2,192)	(1,348)	(801)
	$ (2,589)	(3,864)	4,457	(6,617)

Relationship of income tax expense and profit before tax were as follows:

	For the nine month ended September 30 2013	2012
Profit for the period	339,003	528,072
Income tax expense	122,565	167,743
Profit before tax	461,568	695,815
Income tax expense computed at the company seat of statutory tax rate	78,467	118,289
Effect of different tax rates of foreign jurisdictions	28,756	54,274
Additional 10% surtax on undistributed earnings	21,152	5,427
Other	(5,810)	(10,247)
	122,565	167,743

The income tax returns of the Company, Hersuo and Nova Techology have been examined by the tax authorities through year 2011.

Information related to the approved (ICA) and the imputation credit account of the Company were as follows:

	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Unappropriated earnings in 1998 and after	$ 1,046,047	1,239,355	1,074,528	1,091,708
ICA balance	$ 147,280	104,612	77,866	101,008

Unappropriated retained earnings shown on the table above, which include the comparable information of each period, are prepared in accordance with the Regulations and IFRS endorsed by the FSC.

	2012 (Actual)	2011 (Actual)
Tax deduction ratio for earnings distributable to R.O.C. residents	14.91%	18.70%

Information related to the approved legal interpretation No. 10204562810 announced by the Taxation Administration of the Ministry of Finance on 17th October, 2013.

(13)Capital and other equity

In addition to retained earnings, the company from January 1 to September 30, 2013 and 2012, the capital and other owner's equities were no significant changes, the relevant information, please refer to the 2013 first quarter financial quarter report.

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:

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. The remaining balance, excluding (i) and (ii), is partially reserved depending on the business environment, growth status, and long-term finance planning. After deducting the aforementioned partially reserve, the remaining balance plus any unappropriated earnings in previous years is used for distribution of stockholders' bonuses by the board of directors, depending on the capital status and economic development in the current year. Cash bonuses are not less than 10% of the total stockholders' bonuses, and they will be recommended by the board of directors and resolved in the stockholders' meeting.

Based on the abovementioned earnings distribution policy and taking into account the present operating conditions, the employee bonuses in the amount of $5,756、$4,002、$16,036 and $11,256 were accrued for the three month ended September 30, 2013 and 2012 and the nine month ended September 30, 2013 and 2012, respectively; and remuneration to directors and supervisors in the amount of $1,002 、$2,835、$7,807 and $10,611 were accrued for the three month ended September 30, 2013 and 2012 and the nine month ended September 30, 2013 and 2012, respectively. If employee bonuses were paid in stock, the number of shares would be determined by dividing the total approved bonus amount by the closing market price of Acter's stock one day prior to the stockholders' resolution and considering the ex-dividend effect. However, if the aforementioned employee bonuses 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 operations in the actual distribution year.

The actual distribution of employee bonuses and directors' and supervisors' remuneration in the amount of $23,843 for September 30, 2013 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 abovementioned meetings.

On June 19, 2013, and June 18, 2012, the meeting of stockholders of Acter approved the distribution plan of retained earnings proposed by the board of directors. For 2012 and 2011, respectively, information about dividends per share, employees' bonuses and directors' and supervisors' remuneration is as follows:

	2012	2011
Dividends per share:		
Cash	$ 10.00	10.00
Employees' bonuses－cash	$ 35,122	17,232
Directors' and supervisors' remuneration	17,242	14,428
	$ 52,364	31,660

The above earnings distribution, which was charged to expense, had no difference from the resolution of Acter's board of directors and its accounting records.

Foreign currency translation differences	Available-for-sale financial assets

		for foreign operations	
Balance on January 1, 2013	$	(27,235)	4,608
Disposal of investments accounted for using equity method		(112)	-
Foreign exchange gains/losses, net		28,344	-
Net change in fair value of available-for-sale financial assets		-	(6,579)
Balance on September 30, 2012	$	**997**	**(1,971)**

		Foreign currency translation differences for foreign operations	Available-for-sale financial assets
Balance on January 1, 2012	$	-	(14,312)
Disposal of investments accounted for using equity method		-	-
Foreign exchange gains/losses, net		(28,397)	-
Net change in fair value of available-for-sale financial assets		-	(3,912)
Balance on September 30, 2012	$	**(28,397)**	**(18,224)**

(14)Earnings per share ("EPS")

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Profit attributable to common reholders	99,683	187,738	339,003	528,072
Weighted average number of common shares	46,136	46,136	46,136	46,136
Basic earnings per share	2.16	4.07	7.35	11.45
Profit attributable to common reholders	99,683	187,738	339,003	528,072
Weighted average number of common shares	46,136	46,136	46,136	46,136
Effect of employee stock bonus	53	38	331	204
Diluted weighted average number of ımon shares	46,189	46,174	46,467	46,340
Diluted earnings per share	2.16	4.07	7.30	11.40

(15)Non-operating income and expenses

A. Other income

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Interest income	$ 1,891	2,870	6,518	9,462
Rent income	510	278	1,845	1,079
Other income	(4,416)	2,406	18,600	4,795
	$ (2,015)	**5,554**	**26,963**	**15,336**

B. Other gains and losses

	For the three month ended September 30		For the nine month ended September 30	
	2013	**2012**	**2013**	**2012**
Foreign exchange gains(loss)	$ 14,740	(4,235)	15,999	(3,549)
Gains on disposals of investments	(456)	1,710	2,358	2,750
Other gains(loss)	61	1,855	(712)	1,739
	$ 14,345	(670)	17,645	940

(16)Financial instruments

Except for the following described, the fair value of consolidation company's financial instruments and to the situations the financial instruments exposed to credit risk, liquidity risk and market risk without significant change. Related information refer the 2013 first quarter consolidated financial quarterly report.

A. Credit risk

Aging analysis of receivables on the balance sheet date was as follows:

	September 30, 2013		December 31, 2012		September 30, 2012		January 1, 2012	
	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment
Not past due	$ 640,009	-	676,518	-	563,422	-	1,061,869	-
Past due 1- 120days	1,342,173	12	1,199,720	37	1,162,306	45	1,028,324	71
Past due 121 - 180 days	86,698	3,320	48,524	1,790	87,733	3,473	198,146	10,728
Past due 180 - 360 days	83,328	12,931	95,777	16,867	82,540	11,141	34,227	4,863
Past due360 - 540days	34,564	13,825	39,575	15,830	35,046	7,613	29,633	9,178
Past due more than 541 days	32,198	32,198	9,029	8,765	903	903	6,462	889
	$ 2,218,970	62,286	2,069,143	43,289	1,931,950	23,175	2,358,661	25,729

B. Currency risk

The Group's significant exposures to foreign currency risk were as follows:

	September 30, 2013			December 31, 2012			September 30,2012			January 1, 2012		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets												
Monetary items												
USD	$ 4,835	29.67	143,446	4,970	29.136	144,815	3,330	29.3420	97,723	1,438	30.29	43,564
CNY	226,937	4.8465	1,099,852	291,112	4.6741	1,360,685	270,469	4.6687	1,262,736	310,863	4.81	1,496,028
SGD	762	23.6113	17,987	2,013	23.8292	47,957	829	23.9556	19,854	1,254	23.33	29,252
JPY	24,543	0.3031	7,439	14	0.3375	5	17,901	0.3783	6,772	-	-	-
Financial liabilities												
Monetary items												
USD	10,548	29.67	312,950	6,236	29.136	181,691	853	29.3420	25,038	-	-	-
CNY	181,352	4.8465	878,921	184,510	4.6741	862,416	212,358	4.6687	991,434	224,296	4.81	1,079,247
SGD	41	23.6113	969	606	23.8292	14,429	64	23.9556	1,538	-	-	-
JPY	30,745	0.3031	9,319	7,895	0.3375	2,665	10,842	0.3783	4,102	-	-	-

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, other receivables, available-for-sale financial assets, loans, accounts payable and other payables that are denominated in foreign currency. A 1% of appreciation or depreciation of the TWD against the USD, CNY, SGD and JPY as of September 30, 2013 and 2012 would have increased or decreased the after-tax net income by $665 and $3,650, respectively. The analysis is performed on the same basis for both periods.

C. Fair value of financial instruments

(a) Fair value and carrying amount

The Group’s management considers the carrying amounts of its financial assets and financial liabilities measured at amortized cost as a reasonable approximation of fair value

(b) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by the levels in the fair value hierarchy. The different levels have been defined as follows:

i. Level 1: quoted prices (unadjusted) for identical assets or liabilities in active markets.
ii. Level 2: Other than quoted prices included within Level 1, inputs that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
iii. Level 3: inputs for the assets or liability that are not based on observable market data (unobservable inputs).

	Level 1	Level 2	Level 3	Total
September 30, 2013				
Available-for-sale financial assets -current	$ 340,710	-	-	340,710
Available-for-sale financial assets -noncurrent	-	8,692	-	8,692
	$ 340,710	8,692	-	349,402
December 31, 2012				
Available-for-sale financial assets -current	$ 248,842	-	-	248,842
Available-for-sale financial assets -noncurrent	-	6,942	-	6,942
	$ 248,842	6,942	-	255,784
September 30, 2012				
Available-for-sale financial assets -current	$ 337,970	-	-	337,970
Available-for-sale financial assets -noncurrent	-	14,342	-	14,342
	$ 337,970	14,342	-	352,312
January 1, 2012				
Available-for-sale financial assets -current	$ 82,143	-	-	82,143
Available-for-sale financial assets -noncurrent	-	22,692	-	22,692
	$ 82,143	22,692	-	104,835

There have been no transfers from each level for the nine months ended September 30, 2013 and 2012.

(17)Financial risk management

Disclosed of the Company financial risks management objectives and policies compared no significant changes with 2013 first quarter consolidated financial report, please refer to Note 6(18).

(18) Capital management

Disclosed of the Company's capital management objectives、policies and procedures are the some with 2013 first quarter consolidated financial another summary quantitative data for capital management was the same with the 2013 first quarter consolidated financial’s revealed related information refer the 2013 first quarter consolidated financial report, please refer to Note 6(19).

7. Related party transactions

(1) Key management personnel compensation

	For the three month ended September 30		For the nine month ended September 30	
	2013	2012	2013	2012
Short-term employee benefits	$ 11,969	13,754	46,719	47,718
Post-employment benefits	245	234	732	684
	$ 12,214	13,988	47,451	48,402

(2) Other Related Party Transactions

A. Construction revenue and related assets and liabilities

a. Construction revenue, sales revenue, and accounts receivable

The amounts of significant sales transactions and outstanding receivables between the Group and related parties were as follows:

	Sales			
	For the three month ended September 30		For the nine month ended September 30	
	2013	2012	2013	2012
Entity under the key management's control	-	-	-	-
Associates	-	-	-	-
	-	-	-	-

	Receivables from Related Parties			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Entity under the key management's control	-	-	-	340,642
Associates	2,401	6,522	-	-
	2,401	6,522	-	340,642

b. Construction contracts receivable(payable)

Construction contracts receivable (payable) generated from the construction contract were as follows:

	Construction contracts receivable/payable			
	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Entity under the key management's control	-	-	-	24,348

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.

B. Construction cost, and related assets and liabilities

The amounts of significant purchase transactions and outstanding payables between the Group and related parties were as follows:

	Purchases			
	For the three month ended September 30		**For the nine month ended September 30**	
	2013	**2012**	**2013**	**2012**
Entity under the key management's control	248	-	1,276	-
Associates	12,223	-	48,893	-
	12,471	**-**	**50,169**	**-**

	Payables to Related Parties			
	September 30, 2013	**December 31, 2012**	**September 30, 2012**	**January 1, 2012**
Entity under the key management's control	331	-	-	10,272
Associates	12,058	-	-	-
	12,389	**-**	**-**	**10,272**

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.

C. Rental revenue

The Group had an office lease contract with the associates. The rental revenue is in accordance with the market price and the square meters used. The rental revenue is $1,037 for the year ended December 31, 2012, and is recognized under other receivables from related parties.

D. As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, the Company, on behalf of SCEC (Shanghai), had paid $10,894, $10,894, $10,778 and $0, and they were recorded as other receivables from related parties.

E. In June 2013, Sheng Huei (Suzhou) Engineering Co., Ltd. paid USD 203 thousand dollars to SCEC International (HK) Company Limited and planned to aqcuire 46.03% of the equity interest.

8. Pledged assets

As of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, pledged assets were as follows:

Asset	Purpose of pledge	September 30, 2013	December 31, 2012	September 30, 2012	January 1, 2012
Financial assets carried at amortized cost:					
Multi asset-backed bonds for guarantee	Construction contract fulfillment and warranty guarantee	$ -	-	-	2,423
Other financial assets－current:					
Savings deposit / time deposit	Construction contract fulfillment and warranty guarantee	31,542	17,922	8,949	21,565
Time deposit	Currency forward	-	-	-	722
Land and building (including investment property)	Short-term borrowing limit	111,023	72,880	8,311	77,384
		$ 142,565	90,802	17,260	102,094

9. Significant commitments and contingencies

Significant commitments and contingencies for the Group as of September 30, 2013, December 31, 2012, September 30, 2012 and January 1, 2012, were as follows:

(1) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to $396,682, $360,627, $454,331 and $409,043, respectively.
(2) Bank pledges for engaging in construction contracts amounted to $351,763, $179,129, $151,030 and $184,754, respectively.
(3) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to $977,079, $966,900, $972,830 and $963,180, respectively.
(4) Outstanding letters of credit were $3,004, $41,939, $0 and $130,111, respectively.
(5) For already-signed but not-yet-finished significant construction contracts, please refer to note 6(4).
(6) The Company has signed a construction contract with Walsin Technology Corporation (Walsin) in December, 2010. Walsin claimed that the Company did not perform the construction according to the contract, and therefore claimed compensation amounting to $42,189 at the Taipei District Court, while the Company presumed that the payment obligation did not exist.
The Company has appointed an attorney to handle the above dispute. Court proceedings had begun just once as of the issuance date of the financial statements, and therefore the court's decision is still unknown.

10. Losses due to major disasters: None.

11. Subsequent events: None.

12. Other

(1) The employee benefits, depreciation and amortization expenses categorized by function were as follows:

By item	For the Three Months Ended September 30, 2013			For the Three Months Ended September 30, 2012		
	Operating	Operating		Operating	Operating	

	costs	expense	Total	costs	expense	Total
Employee benefit						
Salary	122,204	50,706	172,910	93,922	47,620	141,542
Labor, health and social insurance	11,281	4,859	16,140	7,070	2,845	9,915
Pension	10,726	3,729	14,455	5,436	2,183	7,619
Other	4,499	3,462	7,961	2,363	2,788	5,151
Depreciation (Note)	602	4,217	4,819	712	2,897	3,609
Amortization	(32)	1,594	1,562	653	1,802	2,455

	For the Nine Months Ended September 30, 2013			For the Nine Months Ended September 30, 2012		
By item	**Operating costs**	**Operating expense**	**Total**	**Operating costs**	**Operating expense**	**Total**
Employee benefit						
Salary	303,349	164,085	467,434	262,694	136,712	399,406
Labor, health and social insurance	26,057	13,483	39,540	20,561	8,220	28,781
Pension	22,817	10,565	33,382	15,798	6,399	22,197
Other	9,396	10,686	20,082	7,142	8,571	15,713
Depreciation (Note)	1,821	12,218	14,039	2,078	8,086	10,164
Amortization	17	4,396	4,413	674	3,672	4,346

Note: Depreciation for investment property was $258 for the nine months ended September 30, 2013 and 2012, and was recorded in non-operating expense.

(2) Information of seasonal fluctuation

The Company's operations are not effect by seasonal or cyclical factors.

13. Segment information

	For the Three Months Ended September 30, 2013				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Revenue:					
Revenue from external customers	$ 1,084,413	785,177	32,514	-	1,902,104
Intersegment revenues	109,286	385	50	(109,721)	-
Total revenue	$ 1,193,699	785,562	32,564	(109,721)	1,902,104
Reportable segment profit or loss	**$ 88,712**	**14,811**	**(3,840)**	**-**	**99,683**
Reportable segment assets	**$ (615,334)**	**(233,729)**	**36,910**	**70,258**	**(741,895)**

	For the Three Months Ended September 30, 2012				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Revenue:					

Revenue from external customers	$ 1,088,056	793,131	23,293	-	1,904,480
Intersegment revenues	74,738	(269)	-	(74,469)	-
Total revenue	$ 1,162,794	792,862	23,293	(74,469)	1,904,480
Reportable segment profit or loss	**$ 139,201**	**55,700**	**(7,163)**	**-**	**187,738**
Reportable segment assets	**$ (241,140)**	**306,301**	**92,836**	**(237,908)**	**(79,911)**

	For the Nine Months Ended September 30, 2013				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Revenue:					
Revenue from external customers	$ 3,363,039	3,000,375	117,952	-	6,481,366
Intersegment revenues	147,146	26,014	50	(173,210)	-
Total revenue	$ 3,510,185	3,026,389	118,002	(173,210)	6,481,366
Reportable segment profit or loss	**$ 259,783**	**85,664**	**(6,444)**	**-**	**339,003**
Reportable segment assets	**$ 5,085,674**	**3,022,918**	**1,714,881**	**(3,414,744)**	**6,408,729**

	For the Nine Months Ended September 30, 2012				
	Taiwan	**Mainland China**	**Other Asian**	**Adjustments and eliminations**	**Total**
Revenue:					
Revenue from external customers	$ 3,322,086	2,335,461	217,628	-	5,875,175
Intersegment revenues	332,792	24,335	197	(357,324)	-
Total revenue	$ 3,654,878	2,359,796	217,825	(357,324)	5,875,175
Reportable segment profit or loss	**$ 373,074**	**130,957**	**24,041**	**-**	**528,072**
Reportable segment assets	**$ 5,206,160**	**3,079,837**	**1,532,469**	**(3,254,997)**	**6,563,469**

14. First time adoption of IFRS

The consolidated financial statements as of December 31, 2012 were prepared in conformity with the generally accepted accounting principles of the Republic of China as mentioned in Note 4(1). These are the Group's first consolidated interim financial statements prepared under IFRS (endorsed by the FSC) for annual financial statements, and IFRS 1 "First-time Adoption of International Financial Reporting Standards".

The accounting policies discussed in Note 4 have been applied to the comparative consolidated interim financial statements for the nine months ended September 30, 2012, the consolidated balance sheets as of December 31 and the consolidated balance sheets as of January 01, 2012, first IFRSs adoption date.

For purposes of preparing the first financial reports in 2012 under IFRS, the Group regarded the amounts in the financial reports under the R.O.C. GAAP as the initial point for adjustments. An explanation of how the transition to IFRS has affected the reported financial position, financial performance, and cash flows of the Group is provided in the following statements and notes.

The adjustment information of consolidated balance sheets as of December 31and January 1 (date of conversion) 2012 and the consolidated comprehensive income statements during 2012 please refer the 2013 first quarter consolidated financial report.

(1) Reconciliation of balance sheet and disclosure

	September 30, 2012		
	ROC GAAP	**Adjustments**	**IFRSs**
Assets			
Cash and cash equivalents	$ 1,621,752	-	1,621,752
Available-for-sale financial assets－current	337,970	-	337,970
Notes receivable, net	172,592	-	172,592
Accounts receivable, net	1,698,810	-	1,698,810
Construction contracts receivables	900,516	140,986	1,041,502
Other receivables	26,595	-	26,595
Other receivables from related parties	10,778	-	10,778
Inventories, net	805,113	-	805,113
Other financial assets－current	78,848	4,257	83,105
Other current assets	363,304	(52,805)	310,499
Total Current Assets	6,016,278	92,438	6,108,716
Available-for-sale financial assets－noncurrent	-	14,342	14,342
Investment accounted for using equity method	11,904	(47)	11,857
Property, plant and equipment	323,779	-	323,779
Investment property, net	31,637	-	31,637
Deferred tax assets	-	18,019	18,019
Long-term prepaid rents	-	37,123	37,123
Other non-current assets	83,380	(65,384)	17,996
Total Non-current Assets	450,700	4,053	454,753
Total assets	$ 6,466,978	96,491	6,563,469
Liabilities			
Short-term loans	122,551	-	122,551
Notes payable	188,705	-	188,705
Accounts payable	1,860,516	-	1,860,516
Construction contracts payable	899,056	(207,378)	691,678
Salary and Wages Payable	76,033	13,608	89,641
Current tax liabilities	40,768	-	40,768
Advance sales receipts	594,440	-	594,440
Other current liabilities	107,975	(8,983)	98,992
Total current liabilities	3,890,044	(202,753)	3,687,291
Deferred tax liabilities	138,839	64,797	203,636
Accrued pension liabilities	15,421	14,770	30,191
Guaranteed deposit received	312	-	312
Total Non-current Liabilities	154,572	79,567	234,139
Total liabilities	4,044,616	(123,186)	3,921,430
Equity			
Common stock	461,359	-	461,359
Capital surplus	896,599	-	896,599
Retained earnings	1,053,047	277,655	1,330,702
Other equity interest	11,357	(57,978)	(46,621)
Total equity attributable to owners of the Company	2,422,362	219,677	2,642,039
Total equity	2,422,362	219,677	2,642,039
Total liabilities and stockholders' equity	$ 6,466,978	96,491	6,563,469

	September 30, 2012		
	ROC GAAP	Adjustments	IFRSs

(2) Reconciliation of its statement of comprehensive income

	For the three month Ended September 30, 2012			For the nine month Ended September 30, 2012		
	ROC GAAP	Adjustments	IFRSs	ROC GAAP	Adjustments	IFRSs
Operating revenue:						
Construction revenue	$ 1,182,791	525,279	1,708,070	4,167,521	729,961	4,897,482
Less: allowances	(325)	-	(325)	(1,436)	-	(1,436)
	1,182,466	525,279	1,707,745	4,166,085	729,961	4,896,046
Sales	188,022	-	188,022	945,452	-	945,452
Other operating revenue	8,712	1	8,713	33,936	(259)	33,677
	1,379,200	525,280	1,904,480	5,145,473	729,702	5,875,175
Operating cost:						
Construction cost	933,976	487,634	1,421,610	3,503,524	630,221	4,133,745
Cost of goods sold	136,015	170	136,185	776,367	(1,087)	775,280
Other operating cost	2,049	(2)	2,047	6,575	(251)	6,324
	1,072,040	487,802	1,559,842	4,286,466	628,883	4,915,349
Gross profit	307,160	37,478	344,638	859,007	100,819	959,826
Operating expenses:						
Selling	19,873	(120)	19,753	66,586	(399)	66,187
General and administrative	73,905	(49)	73,856	202,028	69	202,097
	93,778	(169)	93,609	268,614	(330)	268,284
Operating income	213,382	37,647	251,029	590,393	101,149	691,542
Non-operating income and expenses:						
Other income	5,554	-	5,554	15,336	-	15,336
Other gains and losses, net	(14,670)	14,000	(670)	(20,060)	21,000	940
Finance costs	(1,247)	-	(1,247)	(2,914)	-	(2,914)
Share of loss of associates accounted for using equity method	(3,806)	(18)	(3,824)	(9,061)	(28)	(9,089)
	(14,169)	13,982	(187)	(16,699)	20,972	4,273
Profit before tax	199,213	51,629	250,842	573,694	122,121	695,815
Income tax expense	(54,938)	(8,166)	(63,104)	(153,193)	(14,550)	(167,743)
Profit for the period	144,275	43,463	187,738	420,501	107,571	528,072
Other comprehensive income, net of tax：						
Foreign currency translation differences －foreign operations	-	(8,163)	(8,163)	-	(28,397)	(28,397)
Net change in fair value of available-for-sale financial assets	-	(10,705)	(10,705)	-	(3,912)	(3,912)
Other comprehensive income, net of tax	-	(18,868)	(18,868)	-	(32,309)	(32,309)
Comprehensive income	144,275	24,595	168,870	420,501	75,262	495,763
Profit, attributable to:						
Owners of the Company	144,275	43,463	187,738	420,501	107,571	528,072
Non-controlling interests	-	-	-	-	-	-
Profit	144,275	43,463	187,738	420,501	107,571	528,072
Comprehensive income attributable to:						
Owners of the Company	144,275	24,595	168,870	420,501	75262	495,763
Non-controlling interests	-	-	-	-	-	-
Comprehensive income	$ 144,275	24,595	168,870	420,501	75,262	495,763
Basic earnings per share	3.12	0.95	4.07	9.11	2.34	11.45

Diluted earnings per share	**3.11**	**0.95**	**4.07**	**9.08**	**2.32**	**11.40**

(3) There was no significant difference between the Consolidated Statements of Cash Flows prepared by the Group under IFRSs and the R.O.C. GAAP.

(4) Notes to reconciliation

A. Financial assets designated as available-for-sale are measured at fair value under the IFRS as endorsed by the FSC, which are previously measured at cost.

Under the R.O.C GAAP, the financial assets amounted to $35,342. The fair value of the available-for-sale financial assets amounted to $22,692 at the transition date.

The effects of this GAAP difference are as follows:

	For the Three Month Ended September 30, 2012	For the Nine Months Ended September 30, 2012
Consolidated comprehensive income statement		
Decrease in impairment loss	**$ 14,000**	**21,000**

	September 30, 2012
Consolidated balance sheets	
Available-for-sale financial assets	$ 14,342
Financial assets carried at cost	(14,342)
Unrealized gains (losses) for sale financial assets	21,000
Retained earnings adjustments	**$ 21,000**

B. Under the R.O.C. GAAP, the Group estimates the amount of accumulating compensated absences arising from employees' past service based on the best parameter at the end of the year. This obligation is calculated by projected unit credit method, and is reevaluated using actuaries at the end of every single year under the IFRS as endorsed by the FSC.

The effects of this GAAP difference are as follows:

For the Three Month **For the Nine Months**

	Ended September 30, 2012	Ended September 30, 2012
Consolidated comprehensive income statement		
Decrease (increase) in operating cost	$ (149)	(765)
Decrease (increase) in operating expense	(74)	(380)
	$ (223)	(1,145)

	September 30, 2012
Consolidated balance sheets	
Wages and salaries payable	$ (13,608)
Investment accounted for using equity method	(64)
Foreign currency translation differences－foreign operations	82
Retained earnings adjustments	$ (13,590)

C. The Group recognized the actuarial gain or loss as other comprehensive income in the statement of comprehensive income under the IFRS as endorsed by the FSC. Under R.O.C. GAAP, the Group recognized actuarial gain or loss as profit or loss based on the average remaining service period of employees. At the transition date, all of the unrecognized accumulated actuarial gains or losses are recognized directly to retained earnings, and reversed on the comprehensive income statement in the previous years.

The effects of this GAAP difference are as follows:

	For the Three Month Ended September 30, 2012	For the Nine Months Ended September 30, 2012
Consolidated comprehensive income statement		
Decrease in operating cost	$ 54	161
Decrease in operating expense	243	710
	$ 297	871

	September 30, 2012
Consolidated balance sheets	

Accrued pension liabilities	$	(14,395)
Prepaid pension cost		(375)
Deferred pension cost		(9,662)
Unrecognized pension costs		(3,215)
Retained earnings adjustments	**$**	**(27,647)**

D. Some of the Group’s long-term construction contracts do not meet the criteria for adopting the percentage-of-completion method, and therefore adopt the completed-contract method. According to IFRSs, however, there is no completed-contract method, and revenues are recognized based on the extent of completion using the percentage-of- completion method. The effects of this GAAP difference are as follows:

		For the Three Month Ended September 30, 2012	For the Nine Months Ended September 30, 2012
Consolidated comprehensive income statement			
Increase (decrease) in construction revenue	$	525,279	729,702
Decrease (increase) in construction cost		(487,707)	(628,279)
	$	**37,572**	**101,423**

		September 30, 2012
Consolidated balance sheets		
Construction contract receivable	$	140,986
Construction contract payable		207,378
Foreign currency translation differences－foreign operations		(3,540)
Retained earnings adjustments	**$**	**344,824**

The Company elected to have the foreign currency translation differences－foreign operations deemed to be zero according to IFRS 1 endorsed by the FSC.

The effects of this GAAP difference are as follows:

		September 30, 2012
Consolidated comprehensive income statement		
Foreign currency translation differences－foreign operations - retained earnings adjustments	**$**	**39,790**

E. The tax effects of this GAAP difference are as follows:

		September 30, 2012
Consolidated balance sheets		
Deferred tax assets	$	(18,019)
Deferred tax liabilities		(72,580)
Investments accounted for using equity method		17

Foreign currency translation differences－foreign operations		3,860
Retained earnings adjustments	$	(86,722)

F. The effects to retained earnings of the GAAP differences described above are as follows :

	September 30, 2012	
Employee benefits	$	(38,040)
Foreign currency translation differences－foreign operations		(47)
Available-for-sale financial assets		14,342
Financial assets at cost		(14,342)
Construction contract receivable payables, net		348,364
Net change in fair value of available-for-sale financial assets		17,785
Foreign currency translation differences－foreign operations		40,192
Deferred tax		(90,599)
Changes in retained earnings	$	277,655

G. Regarding the land leasehold rights held under leases, the Company accounted for them as an operating lease under IFRSs endorsed by the FSC. According to IFRSs, the payment to acquire the leasehold interest shall be accounted for as prepayments and amortized over the lease term. Thus, the Company reclassified the land leasehold rights which were recorded under intangible assets in accordance with ROC GAAP as prepaid long-term lease amounting to $37,123 as of September 30, 2012.

H. Parts of the Company’s land and building are used for acquiring rental revenue or capital gain. Thus, the Company reclassified the land and building which were recognized as lease assets in accordance with ROC GAAP as investment properties, and they amounted to $31,637 as of September 30 , 2012.

I. Part of the Company’s current deposit and fixed deposit been pledged for project performance guarantee and project warranty on September 30, 2012.Under ROC GAAP, those deposit been reclassified as restricted assets－current and restricted assets－noncurrent amount is $4,691 thousand dollars and $4,257 thousand dollars, the total amount of restricted assets $8,948 thousand dollars that will be reclassified to other financial assets under IFRSs.