Acter Co. Ltd. and Subsidiaries

Consolidated Financial Statements

June 30, 2014 and 2013

(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 June 30, 2014 and 2013 and the related consolidated statements of comprehensive income for the three months ended June 30, 2014 and 2013 and for the six months ended June 30, 2014 and 2013, changes in equity, and cash flows for the six months ended June 30, 2014 and 2013. 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$1,522,477 thousand and NT$1,457,118 thousand, representing 22% and 20% of the related consolidated total assets and the total liabilities amounted to NT$1,006,135 thousand and NT$797,091 thousand, representing 24% and 18% of the related consolidated liabilities as of June 30, 2014 and 2013, respectively. The total comprehensive income of these subsidiaries amounted to NT$38,310 thousand NT$39,555 thousand, NT$59,505 thousand and NT$22,689 thousand, representing 45% , 31%, 43% and 8% of the related consolidated comprehensive income for the three months ended June 30, 2014 and 2013 and for the six months ended June 30, 2014 and 2013, respectively.

Except as described in the third paragraph, the financial statements of equity-accounted investee were not reviewed by independent accountants. Long-term investment in the company amounted to NT$3,549 thousand as of June 30, 2013, and the related investment gain amounted to NT$663 thousand and NT$207 thousand for the three months and six months period then ended.

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 of 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)

July 30, 2014

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

June 30, 2014, December 31, 2013, And June 30, 2013

(In Thousands of New Taiwan Dollars)

		June 30,2014		December 31,2013		June 30,2013	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Assets:						
1100	Cash and cash equivalents (Note 6(1))	$ 1,508,588	22	1,456,226	21	1,289,517	18
1125	Available-for-sale financial assets－current (Note 6(2))	249,328	4	249,004	4	363,627	5
1150	Notes receivable, net (Note 6(3))	156,411	2	174,891	2	84,830	1
1170	Accounts receivable, net (Note 6(3))	1,850,576	27	1,932,376	28	2,194,150	31
1180	Receivables from related parties (Note 7)	-	-	5,937	-	2,431	-
1190	Construction contracts receivable (Note 6(4) and 7)	1,322,225	19	1,390,413	20	1,566,873	22
1200	Other receivables (Note 6(3))	64,829	1	35,634	1	37,927	1
1210	Other receivables from related parties (Note 7)	-	-	10,894	-	10,894	-
1301	Inventories, net (Note 6(5))	720,639	11	828,732	12	865,921	12
1476	Other financial assets－current (Note 8)	188,755	3	157,959	2	77,804	1
1479	Other current assets	179,339	3	235,887	2	188,671	3
		6,240,690	92	6,477,953	92	6,682,645	94
	Non-current assets:						
1523	Available-for-sale financial assets－noncurrent (Note 6(2))	39,267	-	40,991	1	8,692	-
1550	Investment accounted for using equity method (Note 6(6) and 7)	-	-	6,497	-	3,549	-
1600	Property, plant and equipment (Note 6(8))	338,679	5	334,438	4	335,426	5
1760	Investment property, net(Note 6(9))	31,033	-	31,205	-	31,378	-
1840	Deferred tax assets	61,272	1	37,459	1	20,358	-
1985	Long-term prepaid rents	39,498	1	40,988	1	41,112	1
1990	Other non-current assets (Note 6(2))	53,690	1	35,751	1	27,464	-
		563,439	8	527,329	8	467,979	6
	Total Assets	$ 6,804,129	100	7,005,282	100	$ 7,150,624	100

		June 30,2014		December 31,2013		June 30,2013	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current Liabilities:						
2100	Short-term loans (Note 6(11) and 8)	$ 148,814	2	287,832	4	242,463	3
2150	Notes payable	216,392	3	155,881	2	199,177	3
2170	Accounts payable	1,886,999	28	2,021,105	29	1,888,365	28
2180	Payables to related parties (Note 7)	291	-	6,182	-	3,527	-
2190	Construction contracts payable (Note 6(4) and 7)	336,546	5	335,081	5	305,688	4
2201	Accrued salaries and bonuses	82,537	1	139,293	2	82,062	1
2216	Dividend payable	461,358	7	-	-	461,358	6
2230	Current tax liabilities	59,581	1	93,758	1	57,436	1
2250	Provisions－current (Note 6(10))	179,285	3	200,651	3	218,362	3
2311	Advance sales receipts	500,149	7	537,749	8	664,072	9
2399	Other current liabilities	114,824	2	115,221	2	141,794	2
		3,986,776	59	3,892,753	56	4,264,304	60
	Non-current liabilities:						
2570	Deferred tax liabilities	182,242	3	181,044	3	210,653	3
2640	Accrued pension liabilities	32,058	-	32,648	-	32,382	-
2645	Guarantee deposit received	252	-	252	-	312	-
		214,552	3	213,944	3	243,347	3
	Total Liabilities	4,201,328	62	4,106,697	59	4,507,651	63
	Equity Attributable to Shareholders of the parent company (Note 6(13)):						
3110	Common stock	461,359	7	461,359	7	461,359	6
3211	Capital surplus	898,765	13	896,599	13	896,599	13
3300	Retained earnings	1,204,927	18	1,495,529	21	1,273,348	18
3400	Other equity interest	16,423	-	41,035	-	11,667	-
	Total Equity attributable to the parent of company	2,581,474	38	2,898,585	41	2,642,973	37
36xx	**Non-controlling interests(Note 6(7))**	21,327	-	-	-	-	-
	Total Equity	2,602,801	38	2,898,585	41	2,642,973	37
	Total Liabilities And Equity	$ 6,804,129	100	7,005,282	100	7,150,624	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 June 30, 2014 And 2013 and For The Six Months Ended June 30, 2014 And 2013

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

		Three Months ended June 30				Six Months ended June 30			
		2014		2013		2014		2013	
		Amount	%	Amount	%	Amount	%	Amount	%
	Operating revenues:								
4521	Construction revenue (Note 6(4) and 7)	$1,748,216	82	$1,781,248	78	3,005,699	86	4,040,015	88
4529	Less: allowances	(653)	-	(2,952)	-	(3,583)	-	(3,327)	-
		1,747,563	82	1,778,296	78	3,002,116	86	4,036,688	88
4110	Sales	386,560	18	484,694	22	492,533	14	518,351	11
4800	Other operating revenue	9,310	-	9,300	-	18,073	-	24,223	1
		2,143,433	100	2,272,290	100	3,512,722	100	4,579,262	100
	Operating cost (Note 6(12)):								
5520	Construction cost(Note 7)	1,535,381	72	1,577,369	69	2,650,685	75	3,599,382	79
5110	Cost of goods sold (Note 6(5))	330,608	15	413,304	19	425,257	12	441,332	10
5800	Other operating cost	3,797	-	1,872	-	4,660	-	4,571	-
		1,869,786	87	1,992,545	88	3,080,602	87	4,045,285	89
	Gross profit	273,647	13	279,745	12	432,120	13	533,977	11
	Operating expenses: (Note 6(12)):								
6100	Selling	33,681	2	25,539	1	56,251	2	57,208	1
6200	General and administrative	80,731	4	74,356	3	159,327	5	155,585	3
6300	Research and development	16,349	1	9,362	-	18,799	-	11,899	-
		130,761	7	109,257	4	234,377	7	224,692	4
	Operating income	142,886	6	170,488	8	197,743	6	309,285	7
	Non-operating income and expenses:								
7050	Finance costs	(772)	-	(1,490)	-	(2,263)	-	(2,587)	-
7010	Other income(Note 6(14))	5,415	-	14,988	1	13,828	-	28,978	-
7060	Share of loss of associates accounted for using equity method	-	-	663	-	-	-	207	-
7020	Other gains and losses, net(Note 6(14))	(5,047)	-	2,080	-	(4,249)	-	3,300	-
		(404)	-	16,241	1	7,316	-	29,898	-
7900	**Profit before tax**	142,482	6	186,729	9	205,059	6	339,183	7
7950	**Income tax expense** (Note 6(15))	31,711	1	61,810	3	42,389	1	99,863	2
8200	**Profit for the period (attributable to shareholders of the parent)**	**110,771**	**5**	**124,919**	**6**	**162,670**	**5**	**239,320**	**5**
8300	**Other comprehensive income：**								
8310	Foreign currency translation differences－foreign operations	(26,481)	(1)	18,895	1	(32,914)	(1)	54,219	1
8325	Net change in fair value of available-for-sale financial assets	(3,916)	-	(14,380)	(1)	2,225	-	(10,597)	-
8370	Share of other comprehensive income of subsidiaries	-	-	-	-	2,166	-	-	-
8399	Income tax related to components of other comprehensive income(Note 6(15))	(4,437)	-	3,212	-	(5,497)	-	9,217	-
8300	**Other comprehensive income (net of tax)：**	(25,960)	(1)	1,303	-	(23,026)	(1)	34,405	1
8500	**Comprehensive income for the period**	$ **84,811**	**4**	**126,222**	**6**	**139,644**	**4**	**273,725**	**6**
	Comprehensive income Profit attributable to ：								
8610	Shareholders of the parent	$ 112,903	5	124,919	6	166,693	5	239,320	5
8620	Non-controlling interests	(2,132)	-	-	-	(4,023)	-	-	-
		$ **110,771**	**5**	**126,222**	**6**	**162,670**	**5**	**239,320**	**5**
	Comprehensive income attributable to：								
8610	Shareholders of the parent	89,219	4	126,222	6	144,247	4	273,725	6
8620	Non-controlling interests	(4,408)	-	-	-	(4,603)	-	-	-
		$ **84,811**	**4**	**126,222**	**6**	**139,644**	**4**	**273,725**	**6**
	Earnings per share ((attributable to shareholders of the parent)) (Note 6(16))								
9750	**Basic earnings per share**	$	**2.44**		**2.71**		**3.61**		**5.19**
9850	**Diluted earnings per share**	$	**2.43**		**2.69**		**3.59**		**5.15**

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 Changes In equity

For The Six Months Ended June 30, 2014 And 2013

(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	Non-controlling interests	Total Equity
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)	-	-	-	-	-	-
Special reserve	-	-	-	(143)	-	(143)	-	-	-	-	(143)
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	-	(461,358)
	461,359	896,599	287,337	39,647	707,044	1,034,028	(27,235)	4,608	(22,627)	-	2,369,359
Profit for the period	-	-	-	-	239,320	239,320	-	-	-	-	239,320
Other comprehensive income for the period	-	-	-	-	-	-	44,891	(10,597)	34,294	-	34,294
Total comprehensive income for the period	-	-	-	-	239,320	239,320	44,891	(10,597)	34,294	-	273,614
Balance, June 30, 2013	**$ 461,359**	**896,599**	**287,337**	**39,647**	**946,364**	**1,273,348**	**17,656**	**(5,989)**	**11,667**	**-**	**2,642,973**
Balance, January 1, 2014	$ 461,359	896,599	287,337	36,885	1,175,370	1,499,592	27,590	13,445	41,035	-	2,898,585
Appropriation of earnings											
Legal reserve	-	-	46,639	-	(46,639)	-	-	-	-	-	-
Cash dividends	-	-	-	-	(461,358)	(461,358)	-	-	-	-	(461,358)
	461,359	896,599	333,976	36,885	667,373	1,038,234	27,590	13,445	41,035	-	2,437,227
Profit for the period	-	-	-	-	166,693	166,693	-	-	-	(4,023)	162,670
Other comprehensive income for the period	-	2,166	-	-	-	-	(26,837)	2,225	(24,612)	(580)	(23,026)
Total comprehensive income for the period	-	2,166	-	-	166,693	166,693	(26,837)	2,225	(24,612)	(4,603)	139,644
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	25,930	25,930
Balance, June 30, 2014	**$ 461,359**	**898,765**	**333,976**	**36,885**	**834,066**	**1,204,927**	**753**	**15,670**	**16,423**	**21,327**	**2,602,801**

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 Six Months Ended June 30, 2014 And 2013

(All Amount Expressed in Thousands of New Taiwan Dollars)

	For the six months Ended June 30	
	2014	**2013**
Cash flows from operating activities:		
Profit before tax	$ 205,059	339,183
Adjustments:		
Items with no cash flow		
Depreciation	11,974	9,392
Amortization	4,206	2,851
Provision for bad debt expense	5,235	10,691
Provision (reversal of provision) for inventory obsolescence	(374)	9,446
Share of loss of associates accounted for using equity method	-	(207)
Loss (gain) on disposal of investments	549	(2,814)
Other	(3,411)	(1,267)
	18,179	28,092
Changes in operating assets and liabilities		
Changes in operating assets		
Notes receivable	18,480	172,860
Accounts receivable	79,097	(488,253)
Construction contracts receivable	68,188	(517,442)
Inventories	108,467	(84,445)
Other financial assets	28,202	134,608
	301,434	(782,672)
Changes in operating liabilities		
Notes payable	60,511	2,610
Accounts payable	(156,504)	55,338
Construction contracts payable	1,031	(85,587)
Advance sales receipts	(37,600)	(38,002)
Other current liabilities	(90,608)	(37,651)
	(223,170)	(103,292)
Total adjustments	96,443	(857,872)
Cash inflow (outflow) generated from operations	301,502	(518,689)
Interest received	5,811	4,963
Interest paid	(2,895)	(2,295)
Income taxes paid	(94,569)	(127,183)
Net cash generated by (used in) operating activities	209,849	(643,204)
Cash flows from investing activities:		
Acquisition of available-for-sale financial assets	(147,142)	(205,977)
Proceeds from disposal of available-for-sale financial assets	133,970	82,106
Acquisition of property, plant and equipment	(11,669)	(2,977)
Proceeds from disposal of property, plant and equipment	13	182
Increase in other non-current assets	(9,509)	(9,063)
Acquisition of subsidiaries	15,429	-
Net cash used in investing activities	(18,908)	(135,729)
Cash flows from financing activities:		
Decrease in short-term loans	(139,018)	90,303
Change in non-controlling interests	25,930	-
Net cash used in financing activities	(113,088)	90,303
Effect of exchange rate changes on cash and cash equivalents	(25,491)	43,152
Net decrease in cash and cash equivalents	52,362	(645,478)
Cash and cash equivalents at beginning of period	1,456,226	1,934,995
Cash and cash equivalents at end of period	$ 1,508,588	1,289,517

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

June 30, 2014 and 2013

(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 June 30, 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 July 30, 2014.

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

(1) International Accounting Standards ("IAS") of the 2013 version endorsed by the Financial Supervisory Commissions R.O.C. ("FSC") but not yet adopted.

According to the amendment by the Financial Supervisory Commissions R.O.C. ("FSC") on April 3,2014 under decree No.1030010325, the companies of Listed、OTC and emerging adopt International Accounting Standards ("IAS") with the 2013 version endorsed effective by the Financial Supervisory Commissions R.O.C. ("FSC") and has begun to adopt from 2015 in the consolidated financial statements (excluding IFRS No. 9 『Financial instruments』) ，the new revised standards and interpretations was as follows：

No.	New standards／ amendments ／ interpretations	Effective date per IASB
‧ IFRS1	‧ First-time adoption of IFRS-Limited Exemption from Comparative IFRS7 Disclosures for First-time Adopters	July 1, 2010
‧ IFRS1	‧ First-time adoption of IFRS-Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters	July 1, 2011
‧ IFRS1	‧ Government Loans	January 1, 2013
‧ IFRS7	‧ Financial Instruments: Disclosures- Transfers of Financial Assets	July 1, 2011
‧ IFRS7	‧ Disclosures - Offsetting Financial Assets and Financial Liabilities	January 1, 2013
‧ IFRS10	‧ Consolidated Financial Statements	January 1, 2013 (Investment Entities effective on January 1,2014)
‧ IFRS11	‧ Joint Arrangements	January 1, 2013

No.	New standards／ amendments ／ interpretations	Effective date per IASB
・ IFRS12	・ Disclosures of Interests in Other Entities	January 1, 2013
・ IFRS13	・ Fair Value Measurement	January 1, 2013
・ IAS1	・ Presentation of Items of Other Comprehensive Income	July 1, 2012
・ IAS12	・ Deferred Taxes: Recovery of Underlying Assets	January 1, 2012
・ IAS19	・ Employee Benefits	January 1, 2013
・ IAS27	・ Separate Financial Statements	January 1, 2013
・ IAS32	・ Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	January 1, 2014
・ IFRIC 20	・ Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

The Group assessed that apply 2013 edition of International Financial Reporting Standards on the consolidated financial statements would not result in significant changes, the related information, please refer to note 3 of the Group financial statements for the year ended December 31, 2013.

(2) New standards and interpretations not yet endorsed by the FSC

A summary of the new standards and amendments issued by the IASB that may have an impact on the conlolidated financial statements that have not yet been endorsed by the FSC:

No.	New standards／ amendments ／ interpretations	Effective date per IASB
・ IFRS9	・ Financial Instruments	January 1, 2018
・ IFRS14	・ Regulatory Deferral Accounts	January 1, 2016
・ IFRS15	・ Revenue from Contracts with Customers	January 1, 2017
・ Amendment IFRS 11	・ Joint Arrangements	January 1, 2016
・ Amendment IFRS 16&38	・ Clarify acceptable methods of depreciation and amortization	January 1, 2016
・ Amendment IFRS 16&41	・ Bearer Plants	January 1, 2016
・ IAS19	・ Defined Benefit Plans: Employee Contributions	July 1, 2014
・ IAS36	・ Recoverable Amount Disclosures for Non-Financial Assets –	January 1, 2014
・ IAS39	・ Novation of Derivatives and Continuation of Hedge Accounting	January 1, 2014
・ IFRIC 21	・ Levies	January 1, 2014

The Group is still currently evaluating the impact of the aforementioned standards and listed to the Group's financial position and performance, and the related impact will be disclosed when the evaluation is completed.

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.

The significant accounting policies presented in the quarter consolidated financial statements is the same with the 2013 consolidated financial statements，the related information, please refer to note 4 of the Group financial statements for the year ended December 31, 2013.

(2) Basis of consolidation

A. Principle of preparation of the consolidated financial statements

The same principles of consolidation have been applied in the Group financial statements as those applied in the Group financial statements for the year ended December 31, 2013. Please refer to Note 4 (3) of the Group financial statements for the year ended December 31, 2013.

B. List of subsidiaries in the consolidated financial statements

			Shareholding ratio		
Investor	**Subsidiary**	**Nature of business**	**2014.6.30**	**2013.12.31**	**2013.6.30**
(a)The Company	Nova Technology Corp. (Nova Tech)	Wholesaling of electronic and chemical equipment	100%	100%	100%
	HerSuo Engineering Co., Ltd. (Her Suo)	Construction and set-up of freezing equipment	100%	100%	100%
	Enrich Tech Co., Ltd(Enrich) (Note 5)	Integrated construction company	100%	-	-
	Sheng Huei International Co., Ltd. (Sheng Huei International)	Holding company	100%	100%	100%
	Nova Technology Singapore Pte., Ltd. (NTS)	Auto-supply system for semiconductors	100%	100%	100%
(b) Nova Tech	Winmax Technology(Shanghai) Corp.(Winmax)	Design and manufacture of air containers and liquid containers	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%
	Acter Trading Co., Ltd.(Note 3)	Agent for electronic equipment importing and exporting	-	-	100%
	Acter International Ltd. (Acter International)	Holding company and trading of clean rooms and air conditioners	100%	100%	100%
	New Point Group Ltd. (New Point)	Holding company and trading of clean rooms and air conditioners	100%	100%	100%
	Sheng Huei Engineering Technology Co., Ltd.	Set-up of electronic protection systems and central air conditioners	100%	100%	100%
(d) NTS	Nova Technology Malaysia Sdn. Bhd.(NTM)	Auto-supply system for semiconductors	100%	100%	100%
	Novamex Indonesia, PT. (NMI) (Note 2)	Huge machinery and other goods trading	100%	100%	-
(e) Sheng Huei (Suzhou) Enginering Co., Ltd.	Shenzhen Ding –Mao Trade Co., Ltd.	Electronic equipment and machinery trading	100%	100%	100%
	SCEC (Suzhou) Corporation (Note 1)	Construction and set-up of electronic equipment and air conditioners	57.81%	100%	100%
	SCEC (Shanghai) Corporation (Note 4)	Construction and set-up of electronic equipment and chemical oil equipment	57.81%	46.03%	46.03%

Investor	Subsidiary	Nature of business	Shareholding ratio 2014.6.30	2013.12.31	2013.6.30
		and piping installation			
(f) Acter International	Sheng Huei (Shenzhen) Engineering Co., Ltd.	Construction and set-up of electronic equipment and air conditioners	100%	100%	100%
	Suzhou Ding-Mao Engineering Co., Ltd. (Note 3)	Construction and set-up of electronic equipment and air conditioners	-	-	100%
(g) New Point	Zhangjiagang Free Trade Zone Fuyu Internation Trade Co., Ltd. (Fuyu)	Agent for electronic equipment importing and exporting	100%	100%	100%

The Group's subsidiaries are all included in consolidation.

Note 1: Sheng Huei (Suzhou) Engineering Co., Ltd. invested 100% shares of SCEC (Suzhou) Corporation in Suzhou in February 2013. SCEC International (HK) Company Limited Capital increases capital of SCEC (Suzhou) Corporation, the Group did not participate and shareholding ratio decreased from 100% to 57.81% on January 1, 2014.

Note 2: NTS invested 100% shares of NMI in Indonesia in July 2013. The ownership consists of 99% shareholding by NTS and 1% shareholding by NTM.

Note 3: Acter Trading Co., Ltd and Suzhou Ding-Mao Engineering Co., Ltd. completion of a liquidation in December, 2013.

Note 4: Sheng Huei (Suzhou) Engineering Co., Ltd. invested 57.81% shares of SCEC (Shanghai) Corporation in January 2014. Therefore, SCEC (Shanghai) was included in the consolidated body since 2014.

Note 5: The Company acquired subsidiary company Enrich Tech Co., Ltd in June, 2014.

C. Subsidiaries excluded from consolidation: None

(3) Business Combination

The Group in the first quarter of 2014 to gain control through the acquisition of other company, began with the applicable accounting policies related to business combinations on January 1, 2014.

January 1, 2012 (inclusive) after the acquisition, the Group depending on the acquisition date fair value of consideration of migration, including the amount of any acquired attributable to non-controlling interests. Deduction of the net identifiable assets acquired and liabilities assumed (generally fair value) to measure goodwill if the balance minus the negative, then re-evaluate whether the combined company acquired all the assets have been properly identified and all commitments of liabilities, beginning to bargain purchase recognized in profit or loss.

In addition to the issue of debt or equity instruments, as associated with a business combination transaction costs should be recognized immediately in the event of the Group expenses.

(4) Income Taxes

The preparation of the consolidated interim financial statements in conformity with IAS 34 "Interim financial reporting" paragraph b12 measurement and disclosure of income tax expense for the interim period.

Income tax expense for the period is best estimated by multiplying pretax income for the interim reporting period with the effective annual tax rate as forecasted by the management. This is recognized and allocated to current and deferred taxes proportionately.

Temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases shall be measured based on the effective tax rate at the time of realization or liquidation, and recognized directly in equity or other comprehensive income as tax expense.

(5) Employee benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of prior financial year, adjusted for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

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 during the adoption of the Company’s accounting policy is expected to be in alignment with the refer to Note 5 of the Group financial statements for the year ended December 31, 2013.

6. Significant account disclosure

The significant accounting policies presented in the quarter consolidated financial statements is the same with the 2013 consolidated financial statements，the related information, please refer to note 6 of the Group financial statements for the year ended December 31, 2013.

(1) Cash and cash equivalents

	June 30, 2014	December 31, 2013	June 30, 2013
Petty cash and cash on hand	$ 2,439	1,552	2,277
Checking and demand deposits	736,658	810,915	702,145
Time deposits	210,714	144,794	125,546
Cash equivalent – repurchased commercial paper	558,777	498,965	459,549
Cash and cash equivalents in the consolidated statement of cash flows	**$ 1,508,588**	**1,456,226**	**1,289,517**

(2) Investment in financial assets

	June 30, 2014	December 31, 2013	June 30, 2013
Current:			
Available-for-sale financial assets			
Beneficiary securities — open-end funds	$ 249,328	249,004	363,627
Non-current:			
Available-for-sale financial assets			
Xantia Corporation Co., Ltd.	24,207	21,396	8,692
Holy Stone Healthcare Co., Ltd.	15,060	19,595	-
Financial assets carried at cost			
Taichung International Entertainment Co., Ltd.	45	45	45
	$ 280,640	290,040	372,364

A. The aforesaid financial assets were not pledged as collateral.
B. The original name of Xantia Corporation Co., Ltd. is Sunner Solar Corporation Co., Ltd. It is renamed due to business combination with other corporation and its own segment restructure on July 5, 2013.

(3) Notes and accounts receivable, net

	June 30, 2014	December 31, 2013	June 30, 2013
Notes receivable	$ 156,411	174,891	84,830
Accounts receivable	1,919,099	1,997,196	2,250,213
Less: Allowance for impairment	(68,523)	(64,820)	(56,063)
	$ 2,006,987	2,107,267	2,278,980
Other receivables	64,829	35,634	37,927
Total	$ 2,071,816	2,142,901	2,316,907

A. Accounts receivable includes retained construction receivable, which amounted to $43,884, $22,899 and $28,455 as of June 30, 2014, December 31, 2013 and June 30, 2013, respectively.

B. The notes and accounts receivable are not discounted or pledged.

C. Impairment loss is the difference between the carrying amount and the amount expected to be collected. The movement in the allowance for impairment with respect to notes and accounts receivable and other receivables for the six months ended June 30, 2014 and 2013 were as follows:

	For the six months ended June 30	
	2014	2013
Balance, January 1	$ 64,820	42,786
Impairment loss recognized	5,235	10,691
Effect of exchange rate changes	(1,532)	2,586
Balance, June 30	$ 68,523	56,063

(4) Construction contracts

A. Construction revenue and loss

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 June 30		For the six months ended June 30	
	2014	2013	2014	2013
Construction revenue recognized in the periods	$ 1,747,563	$ 1,778,296	$ 3,002,116	$ 4,036,688

B. Construction-in-progress

	June 30, 2014	December 31, 2013	June 30, 2013
Accumulated construction costs incurred (including contract costs that relate to future activity)	$ 7,030,361	7,011,608	8,865,193
Add: Accumulated construction profit and losses	468,268	477,958	586,040
	7,498,629	7,489,566	9,451,233
Less: Progress billings	(6,512,950)	(6,434,234)	(8,190,048)
	$ 985,679	**1,055,332**	**1,261,185**
Construction contracts receivable presented as an asset	$ 1,322,225	1,390,413	1,566,873
Construction contracts payable presented as a liability	(336,546)	(335,081)	(305,688)
	$ 985,679	**1,055,332**	**1,261,185**
Accumulated advance received	**$ 4,323**	**3,533**	**40**

(5) Inventories

	June 30, 2014	December 31, 2013	June 30, 2013
Finished goods and merchandise	$ 260,145	436,544	405,594
Work in process and semi-finished goods	427,507	294,639	424,760
Raw materials	55,665	120,601	45,237
	743,317	851,784	875,591
Less: provision for inventory devaluation	(22,678)	(23,052)	(9,670)
	$ 720,639	**828,732**	**865,921**

For the three months ended June 30, 2014 and 2013 and for the six months ended June 30, 2014 and 2013 respectively, the Group wrote down an operating cost (reversal of provision) of ($204), $9,444, ($374) and $9,446, from the write-down of inventory cost to net realizable value.

The inventories are not discounted or pledged on June 30, 2014 and 2013 and December 31, 2013.

(6) Investment in equity-accounted investees

	June 30, 2014	December 31, 2013	June 30, 2013
Carrying amount of the investment in associates	$ -	6,497	3,549

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

(7) Acquisition of ownership interests in subsidiaries

The Group prepaid $17,685 to SCEC (Shanghai) Corporation (SCEC (Shanghai)) in December 2013 and the recording date on January 1, 2014 acquired the 11.78% SCEC (Shanghai) equity interest and become 57.81% equity interest in the parent company.
Obtain the controlling of SCEC(Shanghai) allows the company to further expand the business base and increase market share in the petrochemical and reduce costs through economies of scale.

Since the date of acquisition periods ended on June 30, 2014, SCEC (Shanghai)'s revenue and profit loss of the Group amounted to $ 780 and 1,827, respectively.

The Group acquired 100% of Enrich Tech Co., Ltd by $26,724 on June 13, 2014 and remain payable investment amount $17,724 then ended. Acquiring Enrich Tech for business office extension、increasing market share and reducing cost by economy of scale.

A. The consideration transferred

The Group paid cash consideration of RMB 3,575 thousand (equivalent to NT $ 17,685 thousand) to obtain the equity 11.78% of SCEC (Shanghai) on January 1, 2014, and the company's shares are not traded publicly, therefore calculated base on the integrated net equity of Shanghai Branch on December 31,2013.
The Group acquired 100% of Enrich Tech Co., Ltd by $26,724 on June 30, 2014 and remain payable investment amount $17,724 then ended.

B. Acquired identifiable assets and assumed liabilities

The fair value of acquired identifiable assets and assumed liabilities at the acquisition date as follows:

	SCEC(shanghai)	Enrich	Total
Cash and cash equivalents	$ 26,974	$ -	$ 26,974
Accounts receivable	5,758	-	5,758
Property, plant and equipment	7,002	-	7,002
Intangible assets	-	11,545	11,545
Other current assets and non-current assets	5,646	15,179	20,825
Accounts payable and Other payable	(27,076)	-	(27,076)
Other current liabilities	(1,996)	-	(1,996)
	$ 16,308	$ 26,724	$ 43,032
Cash purchase amounts	$ -	$ (26,724)	$ (26,724)

C. Acquisition of non-controlling interests

The Group has prepaid $17,685 to SCEC (Shanghai) ~~o~~ in December, 2013 and obtain equity SCEC (Shanghai) of recording date on January 1, 2014, that the holding equity increased from 46.03% to 57.81%. SCEC (HK) cash integration SCEC (Suzhou) on January 1, 2014, the combined company did not participate, so the 100% stake was reduced to 57.81%, and increased capital reserve $2,166. The transaction~~s~~ generated non-controlling interests $25,930.

(8) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the six months ended June 30, 2014 and 2013 were as follows:

	Land	Building and construction	Other facilities	Total
Book values:				
Balance on January 1, 2013	$ 151,631	137,293	45,514	334,438
Balance on June 30, 2013	$ 151,631	137,235	49,813	338,679
Balance on January 1, 2014	$ 151,631	141,566	47,254	340,451
Balance on June 30, 2014	$ 151,631	139,876	43,919	335,426

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

(9) Investment property

	Land	Building and construction	Other facilities	Total
Book values:				
Balance on January 1, 2013	$ 20,937	10,247	21	31,205
Balance on June 30, 2013	$ 20,937	10,082	14	31,033
Balance on January 1, 2014	$ 20,937	10,578	35	31,550
Balance on June 30, 2014	$ 20,937	10,413	28	31,378
Market values:				
Balance on January 1, 2013				$ 34,765
Balance on June 30, 2013				$ 34,765
Balance on January 1, 2014				$ 34,765
Balance on June 30, 2014				$ 34,765

The company purchases the office for use or lease reported in Board of Directors in November, 1996, and leased the office since 1997. According to the rent contract, the rent receivable amount on June 30, 2014, as following:

Period	Amount
2014.7.1~2015.10.31	$ 1,252

1. The original cost of the investment property was measured by cost and the following measurement adapt cost model.
2. The depreciate expense was calculated base on depreciable amount and measure the impairment by market value.
3. The investment property is not discounted or pledged.

(10)Provisions

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.

The movement in the provisions with respect to warranties was as follows:

	June 30, 2014	December 31, 2013	June 30, 2013
Provisions	$ 179,285	200,651	218,362

(11)Short-term loans

	June 30, 2014	December 31, 2013	June 30, 2013
Unsecured bank loans	$ 118,990	180,975	94,970
Secured bank loans	29,824	106,857	147,493
	$ 148,814	287,832	242,463
Unused facilities	$ 2,612,491	2,504,425	2,243,273
Interest Rate	1.3%~1.84	1.5%~6.72%	1.5 %~6.72%

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

(12)Employee benefits

A. Defined benefit plans

Due to there are no significant market volatility、significant reduction、settlement or other significant one-time items after the end of previous financial year, the Group adopts the actuarial decision cost on December 31, 2013 and 2012 to measure and disclose pension cost during the period.

The Group's pension expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2014	2013	2014	2013
Operating cost	$ 30	$ 29	61	$ 83
Operating expense	157	143	312	286
	$ 187	$ 172	$ 373	$ 369

B. Defined contribution plans

The Group's pension expenses recognized in profit or loss were as follows:

	For the three months ended June 30		For the six months ended June 30	
	2014	2013	2014	2013
Operating cost	$ 3,550	$ 3,288	6,998	$ 6,669
Operating expense	1,511	1,538	3,059	3,265
	$ 5,061	$ 4,826	$ 10,057	$ 9,934

The company、HerSuo Engineering and Nova Tech have deposit the retirement amount to Bureau of Labor and the overseas subsidiaries have deposit the retirement amount to local social insurance institutes base on the local regulation.

(13)Capital and other equity

Except as described below, no significant changes in the Group capital and other equity for the six months ended June 30, 2013 and 2014. The related information, please refer to note 6(12) of the Group financial statements for the year ended December 31, 2013.

A. Retained earnings and earnings distribution

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 shall be 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 should not be 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 $5,214、$5,308、$7,701 and $10,280 were accrued for the three month ended June 30, 2014 and 2013 and the six month ended June 30, 2014 and 2013, respectively; and remuneration to directors and supervisors in the amount of $2,592、$3,783、$3,826 and $6,805 were accrued for the three month ended June 30, 2014 and 2013 and the six month ended June 30, 2014 and 2013, 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 amount $11,527 for June 30, 2014 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 18, 2014, and June 19, 2013, the meeting of stockholders of Acter approved the distribution plan of retained earnings proposed by the board of directors. For 2013 and 2012, respectively, information about dividends per share, employees' bonuses and directors' and supervisors' remuneration is as follows:

		2013	2012
Dividends per share:			
Cash	$	10.00	10.00
Employees' bonuses－cash	$	21,322	35,122
Directors' and supervisors' remuneration		10,973	17,242
	$	32,295	52,364

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

B. Other equity interest

		Foreign currency translation differences for foreign operations	Investment in available-for-sale financial assets
Balance, January1, 2014	$	27,590	13,445
Foreign currency translation differences (net of tax)			
The Group		(26,837)	-
Unrealized gains(losses) on available-for-sale			
financial assets The Group		-	2,225
Balance, June 30, 2014	$	753	15,670
Balance, January1, 2013	$	(27,235)	4,608
Foreign currency translation differences (net of tax)			
The Group		44,891	-
Unrealized gains(losses) on available-for-sale			
financial assets The Group		-	(10,597)
Balance, June 30, 2013	$	17,656	(5,989)

(14)Non-operating income and expenses

A. Other income

		For the three months ended June 30		For the six months ended June 30	
		2014	2013	2014	2013
Interest income	$	3,254	1,936	5,895	4,627
Rental income		308	936	625	1,335
Other income		1,853	12,116	7,308	23,016
	$	5,415	14,988	13,828	28,978

B. Other gains and losses

		For the three months ended June 30		For the six months ended June 30	
		2014	2013	2014	2013
Foreign exchange gains(losses)	$	(3,514)	893	(3,518)	1,259
Reversal of gains on doubtful debt recoveries		(4,510)	-	-	-
Gains (Losses) on disposals of investments		2,986	1,958	(549)	2,814
Other losses		(9)	(771)	(182)	(773)
	$	(5,047)	2,080	(4,249)	3,300

(15)Taxes

The income tax expense were calculated as follows:

	For the three months ended June 30		For the six months ended June 30	
	2014	2013	2014	2013
Current income tax expense:				
Current period	$ 32,257	44,927	60,389	60,366
Deferred tax expense:				
Temporary difference	(546)	16,883	(18,009)	39,497
Income tax expense	$ 31,711	61,810	42,389	99,863

The amount of tax income expense recognized in other comprehensive income was as follows:

	For the three months ended June 30		For the six months ended June 30	
	2014	2013	2014	2013
Foreign currency foreign translation differences for operations	$ (4,437)	3,212	(5,497)	9,217

The income tax returns of the Company, Hersuo and Nova Techology have been examined by the tax authorities through year 2012.

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

	June 30, 2014	December 31, 2013	June 30, 2013
Unappropriated earnings in 1998 and after	$ 834,066	1,175,370	946,364
ICA balance	$ 192,096	147,789	166,783

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.

	2013 (Estimated)	2012 (Actual)
Tax deduction ratio for earnings distributable to R.O.C. residents	12.57%	14.91%

According to the amendment by the Ministry of Finance on October 17, 2013 under Decree No. 10204562810, the Company’s integrated income tax should be covering the disclosed information of imputation tax credit as above.

(16)Earnings per share ("EPS")

	For the three month ended June 30		For the six month ended June 30	
	2014	2013	2013	2012
Profit attributable to common shareholders	112,903	124,919	166,693	239,320
Weighted average number of common shares(In thousand shares)	46,136	46,136	46,136	46,136
Basic earnings per share (In New Taiwan Dollars)	2.44	2.71	3.61	5.19

Profit attributable to common shareholders	112,903	124,919	166,693	239,320
Weighted average number of common shares(In thousand shares)	46,136	46,136	46,136	46,136
Add: Effect of employee stock bonus (In thousand shares)	236	303	277	364
Diluted weighted average number of common shares(In thousand shares)	46,372	46,439	46,413	46,500
Diluted earnings per share	2.43	2.69	3.59	5.15

(17)Financial instruments

Except as described below, there are no significant changes on the fair value of financial instruments and the financial instruments exposed to credit risk, liquidity risk and market risk, please refer to note 6(15) of the Group financial statements for the year ended December 31, 2013.

A. Credit risk

Aging analysis of receivables (including notes receivable and accounts receivable (including related parties), other receivables from related parties, other financial assets (excluding restricted assets) and refundable deposits) on the balance sheet date was as follows:

	June 30, 2014		December 31, 2013		June 30, 2013	
	Total amount	Impairment	Total amount	Impairment	Total amount	Impairment
Past due 1- 120days	1,898,157	84	1,982,015	122	2,189,807	46
Past due 121 - 180 days	75,006	3,488	115,722	4,422	35,586	990
Past due 180 - 360 days	94,055	15,209	59,043	10,745	111,158	18,446
Past due360 - 540days	38,966	15,587	30,402	12,161	20,299	7,136
Past due more than 541 days	34,155	34,155	37,370	37,370	29,445	29,445
	$ 2,140,339	68,523	2,224,552	64,820	$ 2,386,295	56,063

B. Currency risk

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

	June 30, 2014			December 31, 2013			June 30,2013		
	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD	Foreign Currency	Exchange Rate	NTD
Financial assets									
Monetary items									
USD	$ 6,137	29.915	183,594	4,419	29.950	132,355	6,160	30.12	185,532
CNY	272,954	4.8211	1,315,938	262,766	4.9472	1,299,957	243,913	4.9075	1,197,005
SGD	1,886	23.9636	45,193	1,222	23.6796	28,935	1,451	23.8451	34,598
JPY	588	0.2951	174	22	0.2853	6	3,235	0.3048	986
Financial liabilities									
Monetary items									
USD	5,673	29.915	169,705	11,609	29.950	347,694	5,375	30.12	161,891
CNY	189,536	4.8211	913,774	228,187	4.9472	1,128,886	220,855	4.9075	1,083,845
SGD	872	23.9636	20,891	145	23.6796	3,439	20	23.8451	486
JPY	11,377	0.2951	3,357	17,223	0.2853	4,914	256,183	0.3048	78,085

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 June 30, 2014 and 2013 would have increased or decreased the after-tax net income by $4,372 and $938, 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
June 30, 2014				
Available-for-sale financial assets -current	$ 249,328	-	-	249,328
Available-for-sale financial assets -noncurrent	39,267	-	-	39,267
	$ 288,595	**-**	**-**	**288,595**
December 31, 2013				
Available-for-sale financial assets -current	$ 249,004	-	-	249,004
Available-for-sale financial assets -noncurrent	40,991	-	-	40,991
	$ 289,995	**-**	**-**	**289,995**
June 30, 2013				
Available-for-sale financial assets -current	$ 363,627	-	-	363,627
Available-for-sale financial assets -noncurrent	-	8,692	-	8,692
	$ 363,627	**8,692**	**-**	**372,319**

No transfers occur from each level for the six months ended June 30, 2014 and 2013.
The carrying amount of available-for-sale financial assets amounting to $18,918, which originally classified as fair value level 2, has been transferred into fair value level 1 for the year ended December 31, 2013, due to its easy and regular information pertaining to quoted price from brokers and regulators. The quoted price also stands for an actual and regular market transaction in a fair basis.

(18) Financial risk management

There are no significant changes on the Group financial risk management objectives and policies disclosure, please refer to note 6(16) of the Group financial statements for the year ended December 31, 2013.

(19)Capital management

Disclosure of the Company's capital management objectives、policies and procedures consists with the consolidated financial statements of 2013；there are no significant changes to summary quantitative data for capital management disclosed of the consolidated financial statements of 2013. Please refer to note 6(17) of the Group financial statements for the year ended December 31, 2013.

7. **Related party transactions**

(1) Key management personnel compensation

	For the three months ended June 30		For the six months ended June 30	
	2014	2013	2014	2013
Short-term employee benefits	$ 14,087	15,138	28,435	34,750
Post-employment benefits	270	247	531	487
Income tax expense	$ 14,357	15,385	28,966	35,237

(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 June 30		For the six month ended June 30	
	2014	2013	2014	2013
Entity under the key management's control	-	-	-	-
Associates	-	-	-	-
	-	-	-	-

	Receivables from Related Parties		
	June 30, 2014	December 31, 2013	June 30, 2012
Entity under the key management's control	-	-	-
Associates	-	5,937	2,431
	-	5,937	2,431

b. Construction contracts receivable(payable)

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

	Construction contracts receivable(payable)		
	June 30, 2014	**December 31, 2013**	**June 30, 2013**
Construction contracts receivable (payable)	-	15,284	-

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 June 30		**For the six month ended June 30**	
	2014	**2013**	**2014**	**2013**
Entity under the key management's control	265	322	608	1,028
Associates	-	8,688	-	36,670
	265	**9,010**	**608**	**37,698**

	Payables to Related Parties		
	June 30, 2014	**December 31, 2013**	**June 30, 2012**
Entity under the key management's control	291	424	400
Associates	-	5,758	3,127
	291	**6,182**	**3,527**

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 $324 and $644 for the three months and six months ended June 30, 2014, and the rental revenue has received on June 30, 2014.

D. As of December 31, 2013 and June 30, 2014, the Company, on behalf of associates, had paid $10,894, and they were recorded as other receivables from related parties.

E. Sheng Huei (Suzhou) Engineering Co., Ltd. has prepaid amount $17,685 to SCEC (Shanghai) for capital increasing on December 31, 2013.

8. Pledged assets

As of June 30, 2014, December 31, 2013 and June 30, 2013, pledged assets were as follows:

Asset	Purpose of pledge	June 30, 2014	December 31, 2013	June 30, 2013
Other financial assets－current:				
Savings deposit / time deposit	Construction contract fulfillment and warranty guarantee	$ 54,217	36,034	11,655
Land and building (including investment property)	Short-term borrowing limit	8,122	112,172	113,570
		$ 62,339	148,206	125,225

9. Significant commitments and contingencies

Significant commitments and contingencies for the Group as of June 30, 2014, December 31, 2013, and June 30, 2013, were as follows:

(1) Fulfillment and warranty guarantee (excluding related parties) for engaging in construction contracts amounted to $498,737, $434,273 and $409,081, respectively.
(2) Bank pledges for engaging in construction contracts amounted to $360,257, $296,585 and $345,575, respectively.
(3) Contract fulfillment guarantee and warranty guarantee (excluding related parties) for the competitive corporations amounted to $941,530, $977,769 and $944,120, respectively.
(4) Outstanding letters of credit were $2,064,$5,720 and $0, 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 contruction 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:

	For the Three Months Ended June 30, 2014			For the Three Months Ended June 30, 2013		
By item	Operating costs	Operating expense	Total	Operating costs	Operating expense	Total
Employee benefit						
Salary	111,101	62,149	173,250	93,728	57,909	151,637
Labor, health and social insurance	11,827	6,734	18,561	10,296	6,072	16,368
Pension	3,580	1,669	5,249	3,317	1,681	4,998
Other	3,745	4,343	8,088	2,554	3,321	5,875
Depreciation (note)	749	5,215	5,964	610	3,770	4,380
Amortization	1	2,250	2,251	40	1,508	1,548

By item	For the Six Months Ended June 30, 2014 Operating costs	Operating expense	Total	For the Six Months Ended June 30, 2013 Operating costs	Operating expense	Total
Employee benefit						
Salary	215,397	107,303	322,700	181,145	113,379	294,524
Labor, health and social insurance	25,006	13,376	38,382	20,115	11,909	32,024
Pension	7,058	3,372	10,430	6,752	3,551	10,303
Other	7,207	7,544	14,751	4,897	7,224	12,121
Depreciation (note)	1,491	10,311	11,802	1,219	8,001	9,220
Amortization	4	4,202	4,206	49	2,802	2,851

Note: Depreciation for investment property was $172 for the three months ended June 30, 2014 and 2013, and was recorded in non-operating expense.

(2) Seasonal operations

The combined company's operations are not seasonal or cyclical factors.

(3) Reclassification

The Financial Statements on December 31, 2013 and June 30 have been reclassified in concordance with expression on June 30, 2014, and the reclassification had not material impact on the financial statements on December 31, 2013 and June 30.

13. Segment information

(1) Segment information

	For the Three Months Ended June 30, 2014				
	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 1,213,713	862,178	67,542	-	2,143,433
Intersegment revenues	59,259	663	14,465	(74,387)	-
Total revenue	$ 1,272,972	862,841	82,007	(74,387)	2,143,433
Reportable segment profit or loss	**$ 94,686**	**7,642**	**8,443**	**-**	**110,771**

	For the Three Months Ended June 30, 2013				
	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 1,132,768	1,091,982	47,540	-	2,272,290
Intersegment revenues	11,432	11,651	-	(23,083)	-
Total revenue	$ 1,144,200	1,103,633	47,540	(23,083)	2,272,290
Reportable segment profit or loss	**$ 77,369**	**43,360**	**4,190**	**-**	**124,919**

	For the Six Months Ended June 30, 2014				
	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 2,004,818	1,411,805	96,099	-	3,512,722
Intersegment revenues	75,440	3,990	14,465	(93,895)	-
Total revenue	**$ 2,080,258**	**1,415,795**	**110,564**	**(93,895)**	**3,512,722**
Reportable segment profit or loss	**$ 142,130**	**14,068**	**6,472**	**-**	**162,670**
Reportable segment assets	**$ 5,672,135**	**3,002,400**	**1,842,217**	**(3,712,623)**	**6,804,129**

	For the Six Months Ended June 30, 2013				
	Taiwan	Mainland China	Other Asian	Adjustments and eliminations	Total
Revenue:					
Revenue from external customers	$ 2,278,626	2,215,198	85,438	-	4,579,262
Intersegment revenues	37,860	25,629	-	(63,489)	-
Total revenue	$ 2,316,486	2,240,827	85,438	(63,489)	4,579,262
Reportable segment profit or loss	**$ 171,071**	**70,853**	**(2,604)**	**-**	**239,320**
Reportable segment assets	**$ 5,701,008**	**3,256,647**	**1,677,971**	**(3,485,002)**	**7,150,624**