

**Lite-On Technology Corporation and
Subsidiaries**

**Consolidated Financial Statements for the
Six Months Ended June 30, 2017 and 2016 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

The Board of Directors and Stockholders
Lite-On Technology Corporation

We have reviewed the accompanying consolidated balance sheets of Lite-On Technology Corporation ("Parent Company") and its subsidiaries (collectively referred to as the "Group") as of June 30, 2017 and 2016, and the related consolidated statements of comprehensive income for the three months ended and the six months ended June 30, 2017 and 2016 and changes in equity and cash flows for the six months ended June 30, 2017 and 2016. These consolidated financial statements are the responsibility of the Parent Company's management. Our responsibility is to issue a report on these consolidated financial statements based on our reviews.

Except as stated in the following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 36 "Review of Financial Statements" issued by the Auditing Standards Committee of the Accounting Research and Development Foundation of the Republic of China. A review consists principally of applying analytical procedures to financial data and of making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted 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 financial statements taken as a whole. Accordingly, we do not express such an opinion.

As disclosed in Note 12 to the consolidated financial statements, we did not review the financial statements as of and for the six months ended June 30, 2017 and 2016 of some consolidated subsidiaries. The assets of these subsidiaries were 25.67% (NT\$51,248,873 thousand) and 28.48% (NT\$57,584,335 thousand) of the consolidated total assets as of June 30, 2017 and 2016, respectively. The liabilities of these subsidiaries were 12.98% (NT\$16,292,528 thousand) and 17.41% (NT\$21,941,066 thousand) of the consolidated total liabilities as of June 30, 2017 and 2016, respectively. The comprehensive incomes of these subsidiaries were 40.57% (NT\$1,195,106 thousand), 25.97% (NT\$195,959 thousand), 57.84% (NT\$934,766 thousand) and 22.57% (NT\$341,920 thousand) of the consolidated total comprehensive income for the three months ended June 30, 2017 and 2016 and the six months ended June 30, 2017 and 2016, respectively. Also, as disclosed in Note 13 to the consolidated financial statements, the Group's investments accounted for by using the equity method with carrying values stated at NT\$3,677,585 thousand and NT\$2,030,595 thousand as of June 30, 2017 and 2016, respectively, and consolidated equity in these investees' with net gains in the amounts of NT\$63,371 thousand, NT\$4,767 thousand, NT\$69,962 thousand and NT\$16,886 thousand for the three months ended June 30, 2017 and 2016 and the six months ended June 30, 2017 and 2016, respectively, as well as the additional disclosures in Note 34 were based on these investees' unreviewed financial statements for the same reporting periods as those of the Group.

Based on our reviews, except for any adjustments that might have been determined to be necessary had the subsidiaries' and other equity-method investees' financial statements mentioned in the preceding paragraph and the information disclosed in Note 34 been reviewed, we are not aware of any material modifications that should be made to the consolidated financial statements of Lite-On Technology Corporation and its subsidiaries referred to above for them to be in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche

Deloitte & Touche
Taipei, Taiwan
Republic of China

July 28, 2017

Notice to Readers

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

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	June 30, 2017 (Reviewed)		December 31, 2016 (Audited)		June 30, 2016 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Note 6)	\$ 62,834,478	31	\$ 65,208,491	31	\$ 62,770,786	31
Financial assets at fair value through profit or loss (Note 7)	156,973	-	173,068	-	17,715	-
Debt investments with no active market (Note 9)	880,140	-	802,348	-	802,850	-
Notes receivable, net	263,464	-	374,182	-	173,042	-
Trade receivables, net (Note 10)	52,577,111	26	60,829,435	29	49,323,955	24
Trade receivables from related parties (Note 30)	89,363	-	60,178	-	78,705	-
Other receivables	1,058,038	1	1,093,853	1	1,111,607	1
Other receivables from related parties (Note 30)	106,243	-	5,840	-	105,507	-
Inventories, net (Note 11)	27,352,400	14	26,756,909	13	28,227,530	14
Other current assets (Note 17)	2,996,335	2	2,619,735	1	3,816,785	2
Total current assets	148,314,545	74	157,924,039	75	146,428,482	72
NON-CURRENT ASSETS						
Available-for-sale financial assets (Note 8)	723,000	-	658,655	-	676,101	-
Debt investments with no active market (Note 9)	565,612	-	684,614	-	410,170	-
Investments accounted for using equity method (Note 13)	3,677,585	2	3,810,433	2	3,932,041	2
Property, plant and equipment, net (Note 14)	26,448,489	13	27,826,214	13	30,136,935	15
Investment properties, net (Note 15)	399,581	-	429,790	-	464,910	-
Intangible assets, net (Note 16)	15,088,168	8	15,209,734	7	15,710,456	8
Deferred tax assets	3,018,587	2	3,041,666	2	3,055,359	2
Refundable deposits	571,492	-	510,142	-	577,655	-
Prepaid investments	2,143	-	4,457	-	-	-
Other non-current assets (Note 17)	821,853	1	757,044	1	827,370	1
Total non-current assets	51,316,510	26	52,932,749	25	55,790,997	28
TOTAL	\$ 199,631,055	100	\$ 210,856,788	100	\$ 202,219,479	100
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Short-term borrowings (Note 18)	\$ 19,712,537	10	\$ 14,386,282	7	\$ 16,705,089	8
Financial liabilities at fair value through profit or loss (Note 7)	238,163	-	128,685	-	64,869	-
Notes payable	35,563	-	18,473	-	51,743	-
Trade payables	55,536,068	28	64,139,696	30	52,383,765	26
Trade payables to related parties (Note 30)	898,492	1	1,004,079	-	795,680	-
Other payables	27,940,061	14	22,541,026	11	25,556,362	13
Other payables to related parties (Note 30)	14,444	-	9,428	-	11,329	-
Current tax liabilities	2,809,078	1	3,186,867	2	2,241,015	1
Provisions (Note 20)	919,650	1	1,032,113	-	938,722	1
Advance receipts	2,399,160	1	1,981,913	1	2,948,126	2
Current portion of long-term borrowings (Note 18)	4,823,116	2	7,890,899	4	6,897,697	3
Finance lease payables (Note 19)	1,581	-	1,657	-	47,579	-
Total current liabilities	115,327,913	58	116,321,118	55	108,641,976	54
NON-CURRENT LIABILITIES						
Long-term borrowings, net of current portion (Note 18)	7,203,934	4	12,039,170	6	13,827,131	7
Deferred tax liabilities	2,685,536	1	2,932,121	1	3,293,093	1
Finance lease payables, net of current portion (Note 19)	2,648	-	3,646	-	4,487	-
Net defined benefit liabilities - non-current	238,860	-	189,104	-	150,588	-
Guarantee deposits	89,186	-	88,629	-	86,085	-
Credit balance of investments accounted for using equity method (Note 13)	-	-	2,564	-	2,937	-
Total non-current liabilities	10,220,164	5	15,255,234	7	17,364,321	8
Total liabilities	125,548,077	63	131,576,352	62	126,006,297	62
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY						
Share capital						
Ordinary shares	23,508,670	12	23,508,670	11	23,349,283	12
Share dividends to be distributed	-	-	-	-	159,387	-
Total share capital	23,508,670	12	23,508,670	11	23,508,670	12
Capital surplus						
Additional paid-in capital from share issuance in excess of par value	9,372,488	5	9,372,488	4	9,372,488	5
Bond conversion	7,462,138	4	7,462,138	4	7,462,138	4
Treasury share transactions	400,329	-	328,800	-	328,897	-
Difference between consideration and carrying amounts adjusted arising from changes in percentage of ownership of subsidiaries	48,634	-	45,612	-	43,394	-
Changes in capital surplus from investments in associates and joint ventures accounted for using equity method	279,980	-	273,487	-	280,132	-
Merger	10,015,194	5	10,015,194	5	10,015,194	5
Total capital surplus	27,578,763	14	27,497,719	13	27,502,243	14
Retained earnings						
Legal reserve	11,786,967	6	10,845,332	5	10,845,332	6
Special reserve	1,338,878	1	398,602	-	398,602	-
Unappropriated earnings	11,255,361	5	16,252,206	8	10,542,159	5
Total retained earnings	24,381,206	12	27,496,140	13	21,786,093	11
Other equity						
Exchange differences on translating foreign operations	(3,319,804)	(2)	(1,195,684)	(1)	1,244,978	-
Unrealized loss on available-for-sale financial assets	(37,590)	-	(126,588)	-	(116,251)	-
Gain on financial instruments in cash flow hedging securities	2,561	-	-	-	-	-
Total other equity	(3,354,833)	(2)	(1,322,272)	(1)	1,128,727	-
Treasury shares	(1,248,722)	(1)	(1,248,722)	-	(1,248,722)	(1)
Total equity attributable to owners of the Parent Company	70,865,084	35	75,931,535	36	72,677,011	36
NON-CONTROLLING INTERESTS	3,217,894	2	3,348,901	2	3,536,171	2
Total equity	74,082,978	37	79,280,436	38	76,213,182	38
TOTAL	\$ 199,631,055	100	\$ 210,856,788	100	\$ 202,219,479	100

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated July 28, 2017)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

(Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE								
Sales (Notes 23 and 30)	\$ 54,439,842	103	\$ 55,265,165	103	\$ 107,326,363	103	\$ 106,146,480	103
Less: Sales allowance	1,066,274	2	1,063,473	2	2,373,060	2	1,883,087	2
Sales returns	312,670	1	412,269	1	540,705	1	631,915	1
Total operating revenue	53,060,898	100	53,789,423	100	104,412,598	100	103,631,478	100
COST OF GOODS SOLD (Notes 11, 26 and 30)	46,099,357	87	46,967,148	87	90,758,725	87	90,217,646	87
GROSS PROFIT	6,961,541	13	6,822,275	13	13,653,873	13	13,413,832	13
OPERATING EXPENSES (Notes 26 and 30)								
Selling and marketing expenses	1,680,079	3	1,560,297	3	3,321,199	3	3,329,878	3
General and administrative expenses	1,515,337	3	1,356,487	3	2,990,052	3	2,670,984	3
Research and development expenses	1,545,932	3	1,525,181	3	3,069,262	3	2,995,595	3
Total operating expenses	4,741,348	9	4,441,965	9	9,380,513	9	8,996,457	9
OPERATING INCOME	2,220,193	4	2,380,310	4	4,273,360	4	4,417,375	4
NON-OPERATING INCOME AND EXPENSES								
Share of profit of associates	63,371	-	18,593	-	69,962	-	24,689	-
Interest income	330,991	1	290,968	1	648,150	1	572,954	1
Dividend income	15,933	-	14,395	-	15,933	-	14,395	-
Other income (Notes 27 and 30)	223,380	-	310,900	1	629,113	1	550,522	-
Net gain on disposal of investments	-	-	368	-	-	-	2,896	-
Net gain on foreign currency exchange	44,779	-	109,918	-	314,762	-	78,490	-
Net gain (loss) on financial assets at fair value through profit or loss	82,159	-	(49,711)	-	(52,268)	-	134,272	-
Finance costs	(131,551)	-	(121,765)	-	(297,531)	-	(254,935)	-
Other expenses	(288,804)	-	(306,562)	(1)	(560,241)	(1)	(663,672)	(1)
Net loss on disposal of property, plant and equipment	(15,330)	-	(9,441)	-	(21,411)	-	(9,401)	-
Impairment loss (Notes 8 and 14)	(17,478)	-	(88,173)	-	(19,438)	-	(88,954)	-
Total non-operating income and expenses	307,450	1	169,490	1	727,031	1	361,256	-
PROFIT BEFORE INCOME TAX	2,527,643	5	2,549,800	5	5,000,391	5	4,778,631	4
INCOME TAX EXPENSE (Note 24)	(639,211)	(1)	(594,180)	(1)	(1,264,400)	(1)	(1,161,630)	(1)
NET PROFIT FOR THE PERIOD	1,888,432	4	1,955,620	4	3,735,991	4	3,617,001	3

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended June 30				For the Six Months Ended June 30			
	2017		2016		2017		2016	
	Amount	%	Amount	%	Amount	%	Amount	%
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 22 and 24)								
Items that may be reclassified subsequently to profit or loss:								
Exchange differences on translating foreign operations	\$ 1,198,324	2	\$ (1,352,433)	(3)	\$ (2,510,617)	(2)	\$ (2,381,828)	(2)
Unrealized gain (loss) on available-for-sale financial assets	(11,357)	-	20,044	-	81,321	-	23,143	-
Share of the other comprehensive gain (loss) of associates accounted for using the equity method	36,055	-	(76,129)	-	(115,641)	-	(129,273)	-
Income tax relating to items that may be reclassified subsequently to profit or loss	(165,980)	-	207,391	-	424,986	-	385,757	-
Other comprehensive income (loss) for the period, net of income tax	<u>1,057,042</u>	<u>2</u>	<u>(1,201,127)</u>	<u>(3)</u>	<u>(2,119,951)</u>	<u>(2)</u>	<u>(2,102,201)</u>	<u>(2)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ 2,945,474</u>	<u>6</u>	<u>\$ 754,493</u>	<u>1</u>	<u>\$ 1,616,040</u>	<u>2</u>	<u>\$ 1,514,800</u>	<u>1</u>
NET PROFIT (LOSS) ATTRIBUTABLE TO:								
Owners of the Parent Company	\$ 1,767,245	4	\$ 1,942,061	4	\$ 3,749,598	4	\$ 3,650,004	3
Non-controlling interests	<u>121,187</u>	<u>-</u>	<u>13,559</u>	<u>-</u>	<u>(13,607)</u>	<u>-</u>	<u>(33,003)</u>	<u>-</u>
	<u>\$ 1,888,432</u>	<u>4</u>	<u>\$ 1,955,620</u>	<u>4</u>	<u>\$ 3,735,991</u>	<u>4</u>	<u>\$ 3,617,001</u>	<u>3</u>
TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:								
Owners of the Parent Company	\$ 2,754,075	5	\$ 771,651	1	\$ 1,717,037	2	\$ 1,586,863	1
Non-controlling interests	<u>191,399</u>	<u>1</u>	<u>(17,158)</u>	<u>-</u>	<u>(100,997)</u>	<u>-</u>	<u>(72,063)</u>	<u>-</u>
	<u>\$ 2,945,474</u>	<u>6</u>	<u>\$ 754,493</u>	<u>1</u>	<u>\$ 1,616,040</u>	<u>2</u>	<u>\$ 1,514,800</u>	<u>1</u>
EARNINGS PER SHARE (NEW TAIWAN DOLLARS; Note 25)								
Basic	<u>\$ 0.76</u>		<u>\$ 0.84</u>		<u>\$ 1.61</u>		<u>\$ 1.57</u>	
Diluted	<u>\$ 0.76</u>		<u>\$ 0.83</u>		<u>\$ 1.61</u>		<u>\$ 1.56</u>	

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated July 28, 2017)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(In Thousands of New Taiwan Dollars)
(Reviewed, Not Audited)

	Equity Attributable to Owners of the Company									
	Capital Surplus (Note 23)					Other Equity (Note 23)				
	Shares	Amount	Issue of Share Capital (Note 23)	Share to be Distributed	Additional Paid-in Capital	Share Premium	Share Premium	Share Premium	Share Premium	Share Premium
(In Thousands)	2,334,928	\$ 23,340,283	\$ -	\$ -	\$ 9,251,603	\$ 7,462,138	\$ 275,516	\$ 43,236	\$ 278,747	\$ 10,015,194
BALANCE AT JANUARY 1, 2016										
Appropriation of the 2015 earnings:										
Legal reserve	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-
Cash dividends - 0.5%	-	-	-	-	-	-	-	-	-	-
Share dividends - 0.5%	-	-	-	-	-	-	-	-	-	-
Effect of consolidation of subsidiaries (Note 27)	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-
Change in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-
Change in capital surplus from investment in subsidiaries and joint ventures accounted for by using equity method	-	-	-	-	-	-	-	-	-	-
Share dividends of employees transferred to capital	-	-	-	-	-	-	-	-	-	-
Change in capital from cash dividend of capital	-	-	-	-	-	-	-	-	-	-
Change in capital from cash dividend of the Parent Company paid to subsidiaries	-	-	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2016	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the six months ended June 30, 2016, net of income tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the six months ended June 30, 2016	-	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 30, 2016	2,334,928	\$ 23,340,283	\$ 139,347	\$ -	\$ 9,372,488	\$ 7,462,138	\$ 328,897	\$ 43,384	\$ 280,132	\$ 10,015,194
BALANCE AT JANUARY 1, 2017	2,350,867	\$ 23,508,670	\$ -	\$ -	\$ 9,372,488	\$ 7,462,138	\$ 328,897	\$ 45,612	\$ 278,487	\$ 10,015,194
Appropriation of the 2016 earnings:										
Legal reserve	-	-	-	-	-	-	-	-	-	-
Special reserve	-	-	-	-	-	-	-	-	-	-
Cash dividends - 20.2%	-	-	-	-	-	-	-	-	-	-
Change in non-controlling interests	-	-	-	-	-	-	-	-	-	-
Other changes in capital surplus	-	-	-	-	-	-	-	-	-	-
Change in percentage of ownership interest in subsidiaries	-	-	-	-	-	-	-	-	-	-
Change in capital surplus from investment in subsidiaries and joint ventures accounted for by using equity method	-	-	-	-	-	-	-	-	-	-
Change in capital from cash dividend of capital	-	-	-	-	-	-	-	-	-	-
Change in capital from cash dividend of the Parent Company paid to subsidiaries	-	-	-	-	-	-	-	-	-	-
Net profit (loss) for the six months ended June 30, 2017	-	-	-	-	-	-	-	-	-	-
Other comprehensive loss for the six months ended June 30, 2017, net of income tax	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the six months ended June 30, 2017	-	-	-	-	-	-	-	-	-	-
BALANCE AT JUNE 30, 2017	2,350,867	\$ 23,508,670	\$ -	\$ -	\$ 9,372,488	\$ 7,462,138	\$ 400,329	\$ 48,634	\$ 279,480	\$ 10,015,194

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated July 28, 2017)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,000,391	\$ 4,778,631
Adjustments for:		
Depreciation expenses	2,883,392	3,259,730
Amortization expenses	206,908	232,924
Impairment loss recognized on trade receivables	19,196	21,925
Net loss (gain) on fair value change of financial assets designated as at fair value through profit or loss	52,268	(134,272)
Finance costs	297,531	254,935
Interest income	(648,150)	(572,954)
Dividend income	(15,933)	(14,395)
Share of profit of associates accounted for using equity method	(69,962)	(24,689)
Net loss on disposal of property, plant and equipment	21,411	9,401
Gain on deconsolidation of subsidiaries (Note 27)	-	(7,362)
Net gain on disposal of available-for-sale financial assets	-	(2,896)
Impairment loss recognized on financial assets	10,000	75,986
Impairment loss recognized on non-financial assets	38,151	12,968
Reversal of impairment loss on non-financial assets	-	(280,388)
Unrealized net gain on foreign currency exchange	(197,435)	(330,547)
Recognition (reversal) of provisions	107,444	(2,154)
Changes in operating assets and liabilities		
Financial instruments held for trading	69,687	173,148
Notes receivable	99,979	121,555
Trade receivables	7,046,937	305,675
Trade receivables from related parties	(29,185)	(12,367)
Other receivables	35,649	176,236
Other receivables from related parties	2,858	2,889
Inventories	(1,462,437)	431,812
Other current assets	(590,998)	(280,030)
Notes payable	17,179	(124,998)
Trade payables	(6,009,761)	(4,938,244)
Trade payables to related parties	(105,587)	(61,265)
Other payable	(1,026,671)	351,758
Other payable to related parties	5,016	(1,611)
Provisions	(215,393)	(124,086)
Advance receipts	535,543	180,115
Net defined benefit liabilities	48,813	53,006
Cash generated from operations	6,126,841	3,530,436
Interest received	634,699	564,434
Dividends received	8,161	8,417

(Continued)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Six Months Ended June 30	
	2017	2016
Interest paid	\$ (324,755)	\$ (257,882)
Income tax paid	(1,613,210)	(1,562,958)
Net cash generated from operating activities	<u>4,831,736</u>	<u>2,282,447</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of available-for-sale financial assets	-	(66,675)
Proceeds from sale of available-for-sale financial assets	-	8,447
Proceeds from sale of debt investments with no active market	47,692	-
Purchase of debt investments with no active market	-	(518,011)
Net cash inflow on deconsolidation of subsidiaries (Note 27)	-	307,920
Payments for property, plant and equipment	(2,095,056)	(1,920,041)
Proceeds from disposal of property, plant and equipment	26,941	168,524
Increase in refundable deposits	(68,526)	(6,225)
Payments for intangible assets	(94,178)	(57,396)
Proceeds from disposal of intangible assets	1,066	2,068
Increase in other non-current assets	<u>(91,870)</u>	<u>(162,878)</u>
Net cash used in investing activities	<u>(2,273,931)</u>	<u>(2,244,267)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,470,354	-
Repayments of short-term borrowings	-	(839,441)
Repayments of long-term borrowings	(7,518,310)	(312,931)
Proceeds from guarantee deposits received	2,880	-
Refunds of guarantee deposits received	-	(2,739)
Decrease in finance lease payables	(783)	(45,496)
Changes on non-controlling interests	<u>(32,239)</u>	<u>(94,185)</u>
Net cash used in financing activities	<u>(2,078,098)</u>	<u>(1,294,792)</u>
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	<u>(2,853,720)</u>	<u>(1,474,409)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(2,374,013)</u>	<u>(2,731,021)</u>
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>65,208,491</u>	<u>65,501,807</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 62,834,478</u>	<u>\$ 62,770,786</u>

The accompanying notes are an integral part of the consolidated financial statements.

(With Deloitte & Touche review report dated July 28, 2017)

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED JUNE 30, 2017 AND 2016 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

Lite-On Technology Corporation (the “Parent Company”) was established in March 1989. The Parent Company’s shares are listed on the Taiwan Stock Exchange. The Parent Company manufactures and markets (1) computer software, hardware, peripherals and components, (2) monitors, multifunction and all-in-one printers, cameras and Internet systems and image-processing equipment; (3) information storage and processing equipment, electronic components and office equipment; (4) electronic coils, transformers, power suppliers and electronic hardware parts; (5) light-emitting diode (LED) products; (6) electronic car products; and (7) optical lens modules and optoelectronic components.

The Parent Company merged with Lite-On Electronics, Inc., Silitek Corp. and GVC Corp., with the Parent Company as the surviving entity. The merger took effect on November 4, 2002, and the Parent Company thus assumed all rights and obligations of the three merged companies on that date. The Parent Company merged with its subsidiary, Lite-On Enclosure Inc., with the Parent Company as the surviving entity.

The merger took effect on April 1, 2004, and the Parent Company thus assumed all rights and obligations of its former subsidiary on that date.

The Parent Company separately merged with Li Shin International Enterprise Corp., Lite-On Clean Energy Technology Corp., Lite-On Automotive Corp., Leotek Electronics Corp., Lite-On IT Corporation and LarView Technologies Corp., with the Parent Company as the surviving entity. The mergers separately and respectively took effect on March 22, 2014, April 15, 2014, June 1, 2014, June 29, 2014, June 30, 2014 and September 1, 2014, with the Parent Company as the surviving entity of all the mergers, and the Parent Company thus assumed all rights and obligations of the six merged companies on those respective dates.

The consolidated financial statements of the Parent Company and its subsidiaries, hereto forth collectively referred to as the Group, are presented in the Parent Company’s functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Parent Company’s board of directors on July 28, 2017.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC for application starting from 2017

Except for the following, whenever applied, the initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed by the FSC for application starting from 2017 would not have any material impact on the Group’s accounting policies:

Amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers

The amendments include additions of several accounting items and requirements for disclosures of impairment of non-financial assets as a consequence of the IFRSs endorsed by the FSC for application starting from 2017. In addition, as a result of the post implementation review of IFRSs in Taiwan, the amendments also include emphasis on certain recognition and measurement considerations and add requirements for disclosures of related party transactions and goodwill.

The amendments stipulate that other companies or institutions of which the chairman of the board of directors or president serves as the chairman of the board of directors or the president, or is the spouse or second immediate family of the chairman of the board of directors or president of the Group are deemed to have a substantive related party relationship, unless it can be demonstrated that no control, joint control, or significant influence exists. Furthermore, the amendments require the disclosure of the names of the related parties and the relationship with whom the Group has significant transaction. If the transaction or balance with a specific related party is 10% or more of the Group's respective total transaction or balance, such transaction should be separately disclosed by the name of each related party.

The amendments also require additional disclosure if there is a significant difference between the actual operation after business combination and the expected benefit on acquisition date.

When the amendments are applied retrospectively from January 1, 2017, the disclosure of related party transactions is enhanced. Refer to Note 30 for related disclosures.

- b. Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) endorsed by the FSC are applied in 2018

New IFRSs	Effective Date Announced by IASB (Note 1)
Annual Improvements to IFRSs 2014-2016 Cycle	Note 2
Amendment to IFRS 2 "Classification and Measurement of Share-based Payment Transactions"	January 1, 2018
IFRS 9 "Financial Instruments"	January 1, 2018
Amendments to IFRS 9 and IFRS 7 "Mandatory Effective Date of IFRS 9 and Transition Disclosures"	January 1, 2018
IFRS 15 "Revenue from Contracts with Customers"	January 1, 2018
Amendments to IFRS 15 "Clarifications to IFRS 15 Revenue from Contracts with Customers"	January 1, 2018
Amendment to IAS 7 "Disclosure Initiative"	January 1, 2017
Amendments to IAS 12 "Recognition of Deferred Tax Assets for Unrealized Losses"	January 1, 2017
Amendments to IAS 40 "Transfers of Investment Property"	January 1, 2018
IFRIC 22 "Foreign Currency Transactions and Advance Consideration"	January 1, 2018

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: The amendment to IFRS 12 is retrospectively applied for annual periods beginning on or after January 1, 2017; the amendment to IAS 28 is retrospectively applied for annual periods beginning on or after January 1, 2018.

1) IFRS 9 “Financial Instruments”

Recognition, measurement and impairment of financial assets

With regards to financial assets, all recognized financial assets that are within the scope of IAS 39 “Financial Instruments: Recognition and Measurement” are subsequently measured at amortized cost or fair value. Under IFRS 9, the requirement for the classification of financial assets is stated below.

For the Group’s debt instruments that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, their classification and measurement are as follows:

- a) For debt instruments, if they are held within a business model whose objective is to collect the contractual cash flows, the financial assets are measured at amortized cost and are assessed for impairment continuously with impairment loss recognized in profit or loss, if any. Interest revenue is recognized in profit or loss by using the effective interest method;
- b) For debt instruments, if they are held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of financial assets, the financial assets are measured at fair value through other comprehensive income (FVTOCI) and are assessed for impairment. Interest revenue is recognized in profit or loss by using the effective interest method, and other gain or loss shall be recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses. When the debt instruments are derecognized or reclassified, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Except for the above, all other financial assets are measured at fair value through profit or loss. However, the Group may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognized in profit or loss. No subsequent impairment assessment is required, and the cumulative gain or loss previously recognized in other comprehensive income cannot be reclassified from equity to profit or loss.

The Group temporarily assesses the classification of financial assets by considering the existing facts on June 30, 2017, and the measurement and classification will not change under IFRS 9.

IFRS 9 requires impairment loss on financial assets to be recognized by using the “Expected Credit Losses Model”. The credit loss allowance is required for financial assets measured at amortized cost, contract assets arising from IFRS 15 “Revenue from Contracts with Customers”, certain written loan commitments and financial guarantee contracts. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition and is not low. However, a loss allowance for full lifetime expected credit losses is required for trade receivables that do not constitute a financing transaction.

For purchased or originated credit-impaired financial assets, the Group takes into account the expected credit losses on initial recognition in calculating the credit-adjusted effective interest rate. Subsequently, any changes in expected losses are recognized as a loss allowance with a corresponding gain or loss recognized in profit or loss.

The Group initially assesses trade receivables, contract assets, and lease receivables as a way to simplify such measurements. A loss allowance is recognized by measuring full-lifetime expected credit losses. The Group expects that applying IFRS 9 “Expected Credit Losses Model” would result in earlier recognition of credit losses for financial assets.

Hedge accounting

The main changes in the application of hedge accounting requirements under IFRS 9 amendments are intended to better reflect the entity's risk management activities. Compared with IAS 39, the main changes include: (1) enhancing types of transactions eligible for hedge accounting, specifically broadening the risks eligible for hedge accounting of non-financial items; (2) changing the way hedging derivative instruments are accounted for to reduce profit or loss volatility; and (3) replacing retrospective effectiveness assessments with the principle of an economic relationship between the hedging instrument and the hedged item.

The Group's initial assessment of existing hedging relationships meets IFRS 9 requirements, and hedge accounting can be applied continually. The Group currently excludes the changes in forward contracts from hedging relationships but recognizes gains or losses. Under IFRS 9, the changes in forward contracts may be elected so as to recognize other comprehensive income first which shall be accumulated in other equity. Subsequently, the changes are reclassified into income or loss and adjusted directly into the asset or liability's book value as a hedged item. The Group elected not to apply the requirements retrospectively.

2) IFRS 15 "Revenue from Contracts with Customers" and related amendment

IFRS 15 establishes principles for recognizing revenue that apply to all contracts with customers, and will supersede IAS 18 "Revenue", IAS 11 "Construction Contracts" and a number of revenue-related interpretations.

When applying IFRS 15, an entity shall recognize revenue by applying the following steps:

- Identify the contract with the customer;
- Identify the performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations in the contracts; and
- Recognize revenue when the entity satisfies a performance obligation.

The Group elects to apply IFRS 15 retrospectively for contracts unfinished until January 1, 2018, and related cumulative effects shall be adjusted into retained earnings on that date.

3) IFRIC 22 "Foreign Currency Transactions and Advance Consideration"

IAS 21 stipulated that a foreign currency transaction shall be recorded on initial recognition in the functional currency by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. IFRIC 22 further explains that the date of the transaction is the date on which an entity recognizes a non-monetary asset or non-monetary liability from payment or receipt of advance consideration. If there are multiple payments or receipts in advance, the entity shall determine the date of the transaction for each payment or receipt of advance consideration.

The Group shall apply IFRIC 22 prospectively starting from January 1, 2018.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

c. New IFRSs in issue but not yet endorsed by the FSC

New IFRSs	Effective Date Announced by IASB (Note)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined by IASB
IFRS 16 “Leases”	January 1, 2019
IFRS 17 “Insurance Contracts”	January 1, 2021
IFRIC 23 “Uncertainty over Income Tax Treatments”	January 1, 2019

Note: Unless stated otherwise, the above New IFRSs are effective for annual periods beginning on or after their respective effective dates.

1) Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”

Amendments stipulated that if the Group sells or contributes assets to associates or the Group loses control of a subsidiary but retains significant influence over that subsidiary and if the assets and subsidiaries mentioned above meet the IFRS 3 “Business Combinations” requirements, the Group should recognize the gains or losses from such transactions.

Furthermore, if the Group sells or contributes assets to associates, or the Group loses control of a subsidiary in transactions with associates but retains significant influence over that subsidiary and if the assets and subsidiaries mentioned above do not meet the IFRS 3 “Business Combinations” requirements, the Group should recognize the gains or losses from such transactions only to the extent of the unrelated investors’ interests in that associate. In other words, the gains or losses belonging to the Group should be excluded.

2) IFRS 16 “Leases”

IFRS 16 sets out the accounting standards for leases that will supersede IAS 17 and a number of related interpretations.

Under IFRS 16, if the Group is a lessee, it shall recognize right-of-use assets and lease liabilities for all leases on the consolidated balance sheets except for low-value and short-term leases. The Group may elect to apply the accounting method similar to the accounting for operating lease under IAS 17 to the low-value and short-term leases. On the consolidated statements of comprehensive income, the Group should present the depreciation expense charged on the right-of-use asset separately from interest expense accrued on the lease liability; interest is computed by using effective interest method. On the consolidated statements of cash flows, cash payments for the principal portion of the lease liability are classified within financing activities; cash payments for interest portion are classified within operating activities.

The accounting for the Group as lessor is expected to have no significant influence.

When IFRS 16 becomes effective, the Group may elect to apply this Standard either retrospectively to each prior reporting period presented or retrospectively with the cumulative effect of the initial application of this Standard recognized at the date of initial application.

Except for the above impact, as of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group’s financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 “Interim Financial Reporting” as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual financial statements.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for the asset or liability.

c. Basis of consolidation

See Note 12 and Table 8 for the detailed information of subsidiaries (including the percentage of ownership and main business).

d. Other significant accounting policies

Except for the following, for the summary of other significant accounting policies, please refer to the consolidated financial statements for the year ended December 31, 2016.

1) Retirement 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 the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

2) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2016.

6. CASH AND CASH EQUIVALENTS

	June 30, 2017	December 31, 2016	June 30, 2016
Cash on hand	\$ 5,307	\$ 17,623	\$ 16,363
Checking accounts	1,320,259	1,377,065	1,095,849
Demand deposits	36,116,894	30,644,835	40,930,566
Time deposits	<u>25,392,018</u>	<u>33,168,968</u>	<u>20,728,008</u>
	<u>\$ 62,834,478</u>	<u>\$ 65,208,491</u>	<u>\$ 62,770,786</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Financial assets held for trading</u>			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ 149,909	\$ 59,115	\$ 15,999
Currency swap contracts	<u>7,064</u>	<u>113,953</u>	<u>1,716</u>
	<u>\$ 156,973</u>	<u>\$ 173,068</u>	<u>\$ 17,715</u>
Current	<u>\$ 156,973</u>	<u>\$ 173,068</u>	<u>\$ 17,715</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
Currency swap contracts	\$ 165,047	\$ -	\$ -
Foreign exchange forward contracts	<u>73,116</u>	<u>128,685</u>	<u>64,869</u>
	<u>\$ 238,163</u>	<u>\$ 128,685</u>	<u>\$ 64,869</u>
Current	<u>\$ 238,163</u>	<u>\$ 128,685</u>	<u>\$ 64,869</u>

At the end of the reporting period, outstanding forward exchange contracts and cross-currency swap contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>June 30, 2017</u>			
The Parent Company			
Currency swap contracts	USD/NTD	2017.10.06- 2017.12.08	USD170,000/NTD5,304,775

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	NTD/USD	2017.07.10- 2017.07.24	NTD2,302,007/USD76,000
Forward exchange contracts	CNY/USD	2017.07.17- 2017.08.23	CNY479,528/USD70,000
Forward exchange contracts	USD/EUR	2017.07.05	USD18,000/EUR16,000
Forward exchange contracts	USD/CNY	2017.07.17	USD7,000/CNY47,685
Forward exchange contracts	USD/CAD	2017.07.05	USD2,963/CAD4,000
Forward exchange contracts	USD/NTD	2017.07.10- 2017.08.24	USD379,000/NTD11,498,040
Forward exchange contracts	USD/BRL	2017.07.10	USD1,500/BRL4,960
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2017.07.14- 2017.08.16	THB245,096/USD7,200
Philip & Lite-On Digital Solutions Corp.			
Forward exchange contracts	USD/EUR	2017.07.05	USD4,492/EUR4,000
Currency swap contracts	USD/NTD	2017.07.12	USD27,000/NTD812,700
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/CNY	2017.07.20	USD60,000/CNY424,800
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2017.07.20- 2017.09.18	USD1,300/MYR5,580
Forward exchange contracts	EUR/MYR	2017.07.27- 2017.09.27	EUR480/MYR2,311

December 31, 2016

The Parent Company			
Currency swap contracts	USD/NTD	2017.10.06- 2017.12.08	USD170,000/NTD5,304,775
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	CNY/USD	2017.03.08- 2017.03.14	CNY202,869/USD30,000
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	USD/EUR	2017.01.06	USD13,887/EUR13,000
Forward exchange contracts	USD/BRL	2017.02.06	USD2,500/BRL8,291
Forward exchange contracts	NTD/USD	2017.01.12- 2017.04.07	NTD6,072,165/USD189,000
Forward exchange contracts	USD/NTD	2017.01.12- 2017.03.27	USD62,000/NTD1,949,226
Forward exchange contracts	CNY/USD	2017.03.23- 2017.05.04	CNY205,470/USD29,800
Forward exchange contracts	USD/JPY	2017.01.06	USD1,234/JPY140,000
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2017.01.10- 2017.01.17	THB235,915/USD6,700
Philip & Lite-On Digital Solutions Corp.			
Forward exchange contracts	USD/EUR	2017.01.06	USD5,346/EUR5,000
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/CNY	2017.01.20- 2017.02.28	USD90,000/CNY618,415

(Continued)

	Currency	Maturity Date	Notional Amount (In Thousands)
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2017.01.10- 2017.03.08	USD1,421/MYR6,331
Forward exchange contracts	EUR/MYR	2017.01.25- 2017.02.24	EUR150/MYR707
<u>June 30, 2016</u>			
The Parent Company			
Currency swap contracts	USD/NTD	2016.11.09	USD100,000/NTD3,212,900
Lite-On Singapore Pte. Ltd.			
Forward exchange contracts	NTD/USD	2016.07.01	NTD163,115/USD5,000
Forward exchange contracts	USD/JPY	2016.07.06	USD1,101/JPY120,000
Forward exchange contracts	USD/EUR	2016.07.06	USD13,374/EUR12,000
Forward exchange contracts	USD/MXN	2016.07.06	USD1,000/MXN18,757
Forward exchange contracts	USD/CAD	2016.07.05	USD1,298/CAD1,700
Forward exchange contracts	USD/NTD	2016.07.01- 2016.07.29	USD140,000/NTD4,516,435
Forward exchange contracts	USD/BRL	2016.07.29	USD1,300/BRL4,365
Lite-On Overseas Trading Co., Ltd.			
Forward exchange contracts	HKD/USD	2016.07.25	HKD179,984/USD23,000
Lite-On Electronics (Thailand) Co., Ltd.			
Forward exchange contracts	THB/USD	2016.07.11- 2016.10.11	THB440,573/USD12,500
Philip & Lite-On Digital Solutions Corp.			
Forward exchange contracts	USD/EUR	2016.07.06	USD3,405/EUR3,000
Lite-On Mobile Pte. Ltd.			
Forward exchange contracts	USD/CNY	2016.07.20- 2016.08.22	USD102,000/CNY668,853
Silitech Technology Corp.			
Forward exchange contracts	USD/MYR	2016.07.08- 2016.08.18	USD1,350/MYR5,498
Forward exchange contracts	EUR/MYR	2016.07.20- 2016.08.25	EUR200/MYR917

(Concluded)

The Group entered into derivative contracts during the six months ended June 30, 2017 and 2016 to manage exposures due to fluctuations of foreign exchange rates. The derivative contracts entered into by the Group did not meet the criteria for hedge accounting. Thus, the derivative contracts are classified as financial assets or financial liabilities at fair value through profit or loss. The financial risk management objectives of the Group were to minimize risks due to changes in fair value or cash flows.

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Non-current</u>			
Domestic investments			
Listed shares	\$ 394,554	\$ 313,185	\$ 333,736
Emerging market shares	178,716	178,716	178,716
Unlisted shares	<u>15,785</u>	<u>15,785</u>	<u>15,785</u>
	<u>589,055</u>	<u>507,686</u>	<u>528,237</u>
Foreign investments			
Unlisted shares	75,463	89,370	91,136
Mutual funds	54,510	57,973	53,807
Listed shares	<u>3,972</u>	<u>3,626</u>	<u>2,921</u>
	<u>133,945</u>	<u>150,969</u>	<u>147,864</u>
	<u>\$ 723,000</u>	<u>\$ 658,655</u>	<u>\$ 676,101</u>

Refer to Note 29 for information relating to the fair values determined for available-for-sale financial assets.

There was objective evidence that the fair values of some financial assets were below their carrying costs and will permanently decline. As a result, the Group recognized impairment losses of \$10,000 thousand for both the three months and six months ended June 30, 2017 and \$75,986 thousand for both the three months and six months ended June 30, 2016 in the consolidated statements of comprehensive income.

9. DEBT INVESTMENTS WITH NO ACTIVE MARKET

	June 30, 2017	December 31, 2016	June 30, 2016
Financial products	\$ 745,225	\$ 779,462	\$ 786,786
Pledged time deposits and restricted bank deposits	<u>700,527</u>	<u>707,500</u>	<u>426,234</u>
	<u>\$ 1,445,752</u>	<u>\$ 1,486,962</u>	<u>\$ 1,213,020</u>
Current	\$ 880,140	\$ 802,348	\$ 802,850
Non-current	<u>565,612</u>	<u>684,614</u>	<u>410,170</u>
	<u>\$ 1,445,752</u>	<u>\$ 1,486,962</u>	<u>\$ 1,213,020</u>

Financial products mainly refer to the subsidiary's guarantee income-bearing bank deposit products, which are measured at amortized cost; the products shall not be paid or redeemed within the contract period.

Refer to Note 31 for information on assets pledged as collateral or for security.

10. TRADE RECEIVABLES, NET

	June 30, 2017	December 31, 2016	June 30, 2016
Trade receivables	\$ 52,867,033	\$ 61,117,721	\$ 49,621,719
Allowance for impairment loss	(232,525)	(219,021)	(241,422)
Unrealized interest revenue	<u>(57,397)</u>	<u>(69,265)</u>	<u>(56,342)</u>
	<u>\$ 52,577,111</u>	<u>\$ 60,829,435</u>	<u>\$ 49,323,955</u>

The average credit period on sales of goods was 90 days. In determining the recoverability of a trade receivable, the Group considered any change in the credit quality of the trade receivable since the date credit was initially granted to the end of the reporting period. The Group recognized an allowance for impairment loss of 100% against all receivables over 240 days because historical experience had been that receivables that are past due beyond 240 days were not recoverable. Allowance for impairment loss were recognized against trade receivables between 1 day and 240 days based on estimated irrecoverable amounts determined by reference to past default experience of the counterparties and an analysis of their current financial position.

The aging of receivables was as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Not overdue	\$ 52,126,504	\$ 60,359,423	\$ 48,647,524
Overdue			
1-60 days	447,627	532,570	701,703
61-210 days	132,220	54,002	127,523
211-240 days	3,718	3,430	8,723
Over 240 days	<u>156,964</u>	<u>168,296</u>	<u>136,246</u>
	<u>740,529</u>	<u>758,298</u>	<u>974,195</u>
	<u>\$ 52,867,033</u>	<u>\$ 61,117,721</u>	<u>\$ 49,621,719</u>

The above aging schedule was based on the past due date.

As of June 30, 2017, December 31, 2016 and June 30, 2016, trade receivables from sales on installments by the Group were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Trade receivables	\$ 948,059	\$ 1,114,886	\$ 1,010,760
Unrealized interest revenue	<u>(57,397)</u>	<u>(69,265)</u>	<u>(56,342)</u>
	<u>\$ 890,662</u>	<u>\$ 1,045,621</u>	<u>\$ 954,418</u>

The amount of the above trade receivables is expected to be recovered at \$39,695 thousand, \$204,131 thousand, \$198,453 thousand, \$195,879 thousand, \$194,851 thousand, \$33,103 thousand, \$36,903 thousand, \$17,833 thousand, \$16,500 thousand and \$10,711 thousand per year from 2017 to 2026, respectively.

Movements in the allowance for impairment loss recognized on trade receivables were as follows:

	For the Six Months Ended June 30	
	2017	2016
Balance at January 1	\$ 219,021	\$ 239,849
Allowance for impairment loss	19,196	21,925
Amounts written off during the period as uncollectible	(107)	(17,237)
Foreign exchange translation	<u>(5,585)</u>	<u>(3,115)</u>
Balance at June 30	<u>\$ 232,525</u>	<u>\$ 241,422</u>

11. INVENTORIES, NET

	June 30, 2017	December 31, 2016	June 30, 2016
Finished goods	\$ 17,531,488	\$ 17,174,981	\$ 17,477,579
Raw materials	6,569,880	6,672,793	7,377,079
Work in progress	2,858,464	2,481,929	2,820,043
Merchandise	226,569	209,435	248,739
Inventory in transit	<u>165,999</u>	<u>217,771</u>	<u>304,090</u>
	<u>\$ 27,352,400</u>	<u>\$ 26,756,909</u>	<u>\$ 28,227,530</u>

The costs of inventories recognized as cost of goods sold for the three months ended June 30, 2017 and 2016 were \$46,099,357 thousand and \$46,967,148 thousand, respectively, and for the six months ended June 30, 2017 and 2016 were \$90,758,725 thousand and \$90,217,646 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2017 included a reduction of cost of goods sold amounting to \$92,636 thousand due to an increase in inventory's net realizable value and included an increase in cost of goods sold amounting to \$28,713 thousand due to inventory write-downs to net realizable value, respectively. The cost of inventories recognized as cost of goods sold for the three months and six months ended June 30, 2016 included a reduction of cost of goods sold amounting to \$229,928 thousand and \$280,388 thousand, respectively, due to an increase in inventory's net realizable value. The increase was due to the Group writing off part of its inventories that had been impaired.

12. SUBSIDIARIES

a. Subsidiaries included in consolidated financial statements

Investor	Investee	Main Business	% of Ownership			Remark
			June 30, 2017	December 31, 2016	June 30, 2016	
The Parent Company	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	33.87	33.87	33.87	-
	Lite-On Integrated Service Inc.	Information outsourcing and system integrate	100.00	100.00	100.00	1)
	Lite-On Capital Corp.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Electronics H.K. Ltd.	Sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Electronics (Thailand) Co., Ltd.	Manufacture and sale of LED optical products	100.00	100.00	100.00	1)
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	49.49	49.49	49.49	1)
	Lite-On International Holding Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	LTC Group Ltd.	Investment activities	100.00	100.00	100.00	1)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			June 30, 2017	December 31, 2016	June 30, 2016	
	Lite-On Technology USA, Inc.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Electronics (Europe) Ltd.	Manufacture and sale of power supplies	100.00	100.00	100.00	1)
	Lite-On Technology (Europe) B.V.	Market research and after-sales service	54.00	54.00	54.00	1)
	Lite-On Overseas Trading Co., Ltd.	Merchandising business	100.00	100.00	100.00	-
	Lite-On Singapore Pte. Ltd.	Manufacture and supply computer peripheral products	100.00	100.00	100.00	-
	Lite-On Vietnam Co., Ltd.	Electronic contract manufacturing	100.00	100.00	100.00	1)
	Li Shin International Enterprise Corp.	Manufacture and sale of computer and appliance components	100.00	100.00	100.00	1)
	Eagle Rock Investment Ltd.	Import and export business and investment activities	100.00	100.00	100.00	1)
	Lite-On Mobile Pte. Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	High Yield Group Co., Ltd.	Holding company	100.00	100.00	100.00	1)
	Lite-On Information Technology B.V.	Market research and customer service	100.00	100.00	100.00	1)
	Philip & Lite-On Digital Solutions Corp.	Sale of optical disc drives	49.00	49.00	49.00	-
	LET (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Leotek Electronics Holding Limited	Holding company	-	-	100.00	1), 2)
	Lite-On Automotive Electronics (Europe) B.V.	Sale of automotive parts and other electronic products	100.00	100.00	100.00	1)
	Lite-On Automotive International (Cayman) Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	99.00	99.00	99.00	1)
	Lite-On Power Electronic India Private Limited	Manufacture and sale of phone chargers and power supplies	99.00	-	-	1), 3)
	KBW-LITEON Jordan Private Shareholding Limited	Production and manufacture of energy-saving lights and project construction and maintenance	98.83	-	-	1), 4)
Lite-On Capital Corp.	Silitech Technology Corp.	Manufacture and sale of modules and plastic products	0.64	0.64	0.64	-
	Lite-On Green Technologies Inc.	Manufacture and wholesale of electronic components and energy technology services	100.00	100.00	100.00	1)
	Lite-On Green Energy (HK) Limited	Investment activities	100.00	100.00	100.00	1)
	Lite-On Technology (Europe) B.V.	Market research and after-sales services	46.00	46.00	46.00	1)
	Lite-On Green Energy (Singapore) Pte. Ltd.	Investment activities	100.00	100.00	100.00	1)
Lite-On Green Technologies Inc.	Lite-On Green Technologies B.V.	Solar energy engineering	100.00	100.00	100.00	1)
	Lite-On Green Technologies (HK) Limited	Solar energy engineering	100.00	100.00	100.00	1)
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Investment activities	100.00	100.00	100.00	1)
Lite-On Green Technologies (HK) Limited	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	100.00	100.00	100.00	1)
Lite-On Green Energy B.V.	Lite-On Green Energy S.R.L.	Solar energy engineering	-	-	100.00	1), 2)
Lite-On Electronics H.K. Ltd.	Lite-On Electronics (Tianjin) Co., Ltd.	ODM services	100.00	100.00	100.00	1)
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	100.00	100.00	100.00	1)
	China Bridge (China) Co., Ltd.	Investment, sales agent	100.00	100.00	100.00	1)
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	100.00	100.00	100.00	1)
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	100.00	100.00	100.00	1)
	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	100.00	100.00	100.00	1)
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	100.00	100.00	100.00	1)
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	79.29	79.29	79.29	1)
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	100.00	100.00	100.00	1)
Lite-On Network Communication (Dongguan) Limited	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	20.71	20.71	20.71	1)
China Bridge (China) Co., Ltd.	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture of new-type electronic components and provide technology consulting services, maintenance equipment and after-sales services	12.59	12.59	12.59	-
	China Bridge Express (Wuxi) Co., Ltd.	Express and sale of power supplies, printers, display devices and scanners	100.00	100.00	100.00	1)
Lite-On Electronics Co., Ltd.	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Infotech Co., Ltd.	Information outsourcing	100.00	100.00	100.00	1)
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	100.00	100.00	100.00	-
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	67.03	67.03	67.03	-
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			June 30, 2017	December 31, 2016	June 30, 2016	
	Lite-On Electronics (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	100.00	100.00	100.00	1)
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	100.00	100.00	100.00	1)
Lite-On Technology (Guangzhou) Investment Co., Ltd.	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	32.97	32.97	32.97	-
	Zhuhai Lite-On Mobile Technology Co., Ltd.	Mobile phone mold, assembly line design, manufacture and sale activities.	100.00	100.00	100.00	-
Lite-On Electronics (Jiangsu) Co., Ltd.	Lite-On Technology (Changzhou) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision technology consulting services, maintenance equipment and after-sales services	100.00	100.00	100.00	-
	Lite-On Opto Technology (Changzhou) Co., Ltd.	Development, manufacture and sale of new-type electronic components and LED and provision technology consulting services, maintenance equipment and after-sales services	87.41	87.41	87.41	-
	Lite-On Medical Device (Changzhou) Ltd.	Manufacture and sale of medical equipment	100.00	100.00	100.00	1)
	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
	Lite-On Computer (Changzhou) Co., Ltd.	Design, development, manufacture and sale of computer laptop keyboard modules and components and provision of technology consulting services and after-sales services	100.00	100.00	100.00	1)
Yet Foundate Ltd.	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	100.00	100.00	100.00	1)
Fordgood Electronic Ltd.	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
Lite-On Technology USA, Inc.	Lite-On, Inc.	Sales data processing business of optoelectronic products and power supplies	100.00	100.00	100.00	1)
	Lite-On Trading USA, Inc.	Sale of optical products	100.00	100.00	100.00	1)
	Lite-On Service USA, Inc.	After-sales service of optical products	-	-	100.00	1), 2)
	Leotek Electronics USA LLC.	Sale of LED products	100.00	100.00	100.00	1)
	Power Innovations International, Inc.	Development, design and manufacture of power control and energy management	95.25	95.25	95.25	1)
	Lite-On Sales & Distribution Inc.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Technology Service, Inc.	After-sales service of optical products	100.00	100.00	100.00	1)
Lite-On International Holding Co., Ltd.	Lite-On China Holding Co., Ltd.	Manufacture and sale of computer cases	100.00	100.00	100.00	-
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
	Lite-On Technology (Xianning) Co., Ltd.	Manufacture and sale of electronic components	100.00	100.00	100.00	1)
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	100.00	100.00	100.00	1)
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	1.00	1.00	1.00	1)
	Lite-On Power Electronic India Private Limited	Manufacture and sale of phone chargers and power supplies	1.00	-	-	1), 3)
Lite-On Technology (Shanghai) Ltd.	Lite-On Intelligent Technology (Yancheng) Corporation	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	100.00	100.00	100.00	1)
LTC Group Ltd.	Titanic Capital Services Ltd.	Investment activities	100.00	100.00	100.00	1)
	LTC International Ltd.	Manufacture and sale of system products	100.00	100.00	100.00	1)
Lite-On Technology (Europe) B.V.	Lite-On (Finland) Oy	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On (Finland) Oy	Lite-On Mobile Oyj (formerly: Perlos Oyj)	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
	Yet Foundate Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	1)
	I-Solutions Limited	Original equipment manufacturer of electronic products	100.00	100.00	100.00	1)
	Fordgood Electronic Ltd.	Import and export and real estate business	100.00	100.00	100.00	1)
G&W Technology (BVI) Ltd.	G&W Technology (BVI) Ltd.	Real estate management	50.00	50.00	50.00	1)
	G&W Technology Limited	Leasing business	100.00	100.00	100.00	1)
Eagle Rock Investment Ltd.	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	1)
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	100.00	100.00	100.00	1)

(Continued)

Investor	Investee	Main Business	% of Ownership			Remark
			June 30, 2017	December 31, 2016	June 30, 2016	
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	100.00	100.00	100.00	1)
High Yield Group Co., Ltd.	Lite-On IT International (HK) Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
Lite-On IT International (HK) Ltd.	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
	Lite-On IT Opto Tech (BH) Co., Ltd.	Manufacture and sale of optical disc drives	100.00	100.00	100.00	1)
Lite-On Information Technology B.V.	Lite-On Information Technology GmbH	Sale of optical disc drives	100.00	100.00	100.00	1)
Philip & Lite-On Digital Solutions Corp.	Philips & Lite-On Digital Solutions Germany GmbH	Development and sale of modules of automotive recorders	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions USA Inc.	Sale of optical disc drives	100.00	100.00	100.00	-
	Philips & Lite-On Digital Solutions Korea Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
	Philips & Lite-On Digital Solutions Netherlands B.V.	Sale and design of optical disc drives	100.00	100.00	100.00	1)
	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	100.00	100.00	100.00	1)
Silitech Technology Corp.	Silitech (BVI) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
	Lite-On Japan Ltd.	Sale of LED optical products and power supplies	7.87	7.87	7.87	1)
Silitech (BVI) Holding Ltd.	Silitech (Bermuda) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
Silitech (Bermuda) Holding Ltd.	Silitech Technology Corp. Ltd.	Manufacture of plastic and computer peripheral products	100.00	100.00	100.00	-
	Silitech Technology Corp. Sdn. Bhd.	Manufacture of computer peripheral products	100.00	100.00	100.00	-
	Silitech (Hong Kong) Holding Ltd.	Investment activities	100.00	100.00	100.00	-
	Silitech International (India) Private Limited	Development, manufacture and sale of automotive parts	100.00	100.00	100.00	1)
Silitech (Hong Kong) Holding Ltd.	Silitech Technology (SuZhou) Co., Ltd.	Manufacture and sale of automotive parts	100.00	100.00	100.00	-
Silitech Technology Corp. Ltd.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic and rubber assembly	100.00	100.00	100.00	-
	SuZhou Xulong Mold Producing Co., Ltd.	Development, manufacture and sale of precision modules and new-type electronic components (chip components, testing elements, hybrid integrated circuits)	60.00	60.00	60.00	1)
Lite-On Automotive International (Cayman) Co., Ltd.	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Investment activities	100.00	100.00	100.00	1)
Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	100.00	100.00	100.00	1)
Lite-On Japan Ltd.	L&K Industries Philippines, Inc.	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (H.K.) Limited	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (Korea) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
	Lite-On Japan (Thailand) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
Lite-On Japan (H.K.) Limited	NL (Shanghai) Co., Ltd.	Import and export business of electronic components	100.00	100.00	100.00	1)
Lite-On Mobile Oyj (formerly: Perlos Oyj)	Lite-On Mobile Sweden AB	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	3.03	3.08	3.08	1)
	Lite-On Mobile India Private Limited	Manufacture and sale of mobile phone modules and design for assembly line	11.59	11.59	11.59	1)
Lite-On Mobile Pte. Ltd.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	-
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile Indústria e Comércio de Plásticos Ltda.	Manufacture and sale of mobile phone modules and design for assembly line	96.97	96.92	96.92	1)
	Perlos Precision Plastics Moulding Limited Liability Company	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
	Lite-On Mobile India Private Limited	Manufacture and sale of mobile phone modules and design for assembly line	88.41	88.41	88.41	1)
	Lite-On Young Fast Pte. Ltd.	Investment activities	100.00	100.00	100.00	1)
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	100.00	100.00	100.00	1)
Lite-On Young Fast Pte. Ltd.	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	100.00	100.00	100.00	1)

(Concluded)

Remark:

- 1) This is an immaterial subsidiary for which the financial statements are not reviewed by the Company's independent accountants.
 - 2) Dissolved after liquidation in December 2016.
 - 3) Established in April 2017.
 - 4) Became a subsidiary in May 2017.
- b. Subsidiaries excluded from consolidated financial statements: None.
- c. Details of subsidiaries that have material non-controlling interests

Name of Subsidiary	Proportion of Ownership and Voting Rights Held by Non-controlling Interests		
	December 31,		
	June 30, 2017	2016	June 30, 2016
Silitech Technology Corp.	65.49%	65.49%	65.49%

See Table 8 and Table 9 for the information on place of incorporation and principal place of business.

Name of Subsidiary	Profit (Loss) Allocated to Non-controlling Interests				Accumulated Non-controlling Interests		
	For the Three Months Ended June 30		For the Six Months Ended June 30		December 31,		
	2017	2016	2017	2016	June 30, 2017	2016	June 30, 2016
Silitech Technology Corp.	\$ (17,426)	\$ 2,720	\$ (59,592)	\$ (52,522)	\$ 2,457,556	\$ 2,581,883	\$ 2,708,090
Others	<u>138,613</u>	<u>10,839</u>	<u>45,985</u>	<u>19,489</u>	<u>760,338</u>	<u>767,018</u>	<u>828,081</u>
	<u>\$ 121,187</u>	<u>\$ 13,559</u>	<u>\$ (13,607)</u>	<u>\$ (33,003)</u>	<u>\$ 3,217,894</u>	<u>\$ 3,348,901</u>	<u>\$ 3,536,171</u>

The summarized financial information below represents amounts before intragroup eliminations.

Silitech Technology Corp. and Silitech Technology Corp.'s subsidiaries:

	June 30, 2017	December 31, 2016	June 30, 2016
Current assets	\$ 3,019,810	\$ 4,725,000	\$ 4,959,836
Non-current assets	1,594,081	1,615,292	1,787,925
Current liabilities	(760,842)	(1,340,826)	(1,019,980)
Non-current liabilities	<u>(100,958)</u>	<u>(1,057,556)</u>	<u>(1,592,110)</u>
Equity	<u>\$ 3,752,091</u>	<u>\$ 3,941,910</u>	<u>\$ 4,135,671</u>
Equity attributable to:			
Parent Company	\$ 1,294,535	\$ 1,360,027	\$ 1,427,581
Non-controlling interests of Silitech Technology Corp.	2,456,370	2,580,640	2,708,823
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	<u>1,186</u>	<u>1,243</u>	<u>(733)</u>
	<u>\$ 3,752,091</u>	<u>\$ 3,941,910</u>	<u>\$ 4,135,671</u>

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Revenue	\$ 509,031	\$ 612,831	\$ 1,037,717	\$ 1,218,298
Profit (loss) for the year	\$ (26,601)	\$ 3,300	\$ (90,992)	\$ (74,922)
Other comprehensive income (loss) for the year	51,221	(72,754)	(98,827)	(84,352)
Total comprehensive income (loss) for the year	\$ 24,620	\$ (69,454)	\$ (189,819)	\$ (159,274)
Profit (loss) attributable to:				
Parent Company	\$ (9,175)	\$ 580	\$ (31,400)	\$ (22,400)
Non-controlling interests of Silitech Technology Corp.	(17,409)	1,100	(59,580)	(42,503)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	(17)	1,620	(12)	(10,019)
	\$ (26,601)	\$ 3,300	\$ (90,992)	\$ (74,922)
Total comprehensive income (loss) attributable to:				
Parent Company	\$ 8,495	\$ (24,493)	\$ (65,492)	\$ (51,499)
Non-controlling interests of Silitech Technology Corp.	16,119	(46,476)	(124,270)	(97,719)
Non-controlling interests of Silitech Technology Corp.'s subsidiaries	6	1,515	(57)	(10,056)
	\$ 24,620	\$ (69,454)	\$ (189,819)	\$ (159,274)
			For the Six Months Ended June 30	
			2017	2016
Net cash flow from:				
Operating activities			\$ (286,586)	\$ (84,574)
Investing activities			5,727	(399,030)
Financing activities			(1,438,664)	(36)
Foreign exchange translation			(67,275)	(59,143)
Net cash outflow			\$ (1,786,798)	\$ (542,783)

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investments in Associates

	June 30, 2017	December 31, 2016	June 30, 2016
Associates that are not individually material	\$ 3,677,585	\$ 3,807,869	\$ 3,929,104
Credit balance on the carrying value of investments accounted for using equity method	<u>-</u>	<u>2,564</u>	<u>2,937</u>
	<u>\$ 3,677,585</u>	<u>\$ 3,810,433</u>	<u>\$ 3,932,041</u>

Aggregate Information of Associates That are Not Individually Material

	For the Six Months Ended June 30	
	2017	2016
The Group's share of:		
Profit for the year	\$ 69,962	\$ 24,689
Other comprehensive loss	<u>(115,641)</u>	<u>(129,273)</u>
Total comprehensive loss for the year	<u>\$ (45,679)</u>	<u>\$ (104,584)</u>

14. PROPERTY, PLANT AND EQUIPMENT, NET

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Equipment Held under Finance Leases	Other Equipment	Total
Cost									
January 1, 2017	\$ 2,324,761	\$ 18,915,082	\$ 39,797,206	\$ 2,707,256	\$ 63,509	\$ 2,163,576	\$ 786,526	\$ 7,513,576	\$ 74,271,492
Additions	-	65,200	978,296	22,907	947	92,068	28,201	1,094,051	2,281,670
Disposals	-	(20,386)	(956,769)	(26,465)	(1,360)	(99,886)	(264)	(55,208)	(1,160,338)
Reclassification	4,118	1,507,926	396,348	23,210	97	2,050	-	(2,020,846)	(87,097)
Effect of foreign currency exchange differences	(2,485)	(473,481)	(1,129,266)	(64,935)	(1,661)	(48,011)	(6,629)	(188,011)	(1,914,479)
June 30, 2017	<u>\$ 2,326,394</u>	<u>\$ 19,994,341</u>	<u>\$ 39,085,815</u>	<u>\$ 2,661,973</u>	<u>\$ 61,532</u>	<u>\$ 2,109,797</u>	<u>\$ 807,834</u>	<u>\$ 6,343,562</u>	<u>\$ 73,391,248</u>
Accumulated depreciation									
January 1, 2017	\$ -	\$ 8,718,781	\$ 27,497,682	\$ 2,514,537	\$ 54,910	\$ 1,830,294	\$ 580,760	\$ 4,046,477	\$ 45,243,441
Additions	-	354,418	2,118,022	76,771	2,727	98,457	12,320	206,162	2,868,877
Disposals	-	(12,272)	(727,951)	(26,427)	(1,261)	(99,171)	(264)	(50,661)	(918,007)
Reclassification	-	(1,529)	(75,535)	-	-	3,351	-	24,092	(49,621)
Effect of foreign currency exchange differences	-	(216,343)	(765,633)	(62,156)	(1,382)	(41,980)	(6,015)	(94,709)	(1,188,218)
June 30, 2017	<u>\$ -</u>	<u>\$ 8,843,055</u>	<u>\$ 28,046,585</u>	<u>\$ 2,502,725</u>	<u>\$ 54,994</u>	<u>\$ 1,790,951</u>	<u>\$ 586,801</u>	<u>\$ 4,131,361</u>	<u>\$ 45,956,472</u>
Accumulated impairment									
January 1, 2017	\$ -	\$ 254,172	\$ 734,237	\$ 13,624	\$ 453	\$ 7,055	\$ 38,787	\$ 153,509	\$ 1,201,837
Additions	-	-	8,501	934	-	3	-	-	9,438
Disposals	-	(2,766)	(189,070)	(38)	(99)	(343)	-	(1,663)	(193,979)
Effect of foreign currency exchange differences	-	(1,474)	(19,295)	(170)	(17)	(217)	(1,414)	(8,422)	(31,009)
June 30, 2017	<u>\$ -</u>	<u>\$ 249,932</u>	<u>\$ 534,373</u>	<u>\$ 14,350</u>	<u>\$ 337</u>	<u>\$ 6,498</u>	<u>\$ 37,373</u>	<u>\$ 143,424</u>	<u>\$ 986,287</u>
June 30, 2017, net	<u>\$ 2,326,394</u>	<u>\$ 10,901,354</u>	<u>\$ 10,504,857</u>	<u>\$ 144,898</u>	<u>\$ 6,201</u>	<u>\$ 312,348</u>	<u>\$ 183,660</u>	<u>\$ 2,068,777</u>	<u>\$ 26,448,489</u>
Cost									
January 1, 2016	\$ 2,339,337	\$ 20,743,583	\$ 43,413,229	\$ 3,547,594	\$ 72,550	\$ 2,463,313	\$ 1,470,559	\$ 7,724,699	\$ 81,774,864
Additions	-	24,227	470,777	30,701	-	64,466	28,658	737,137	1,355,966
Disposals	(13,926)	(306,001)	(1,750,651)	(133,088)	(2,894)	(262,594)	(1,659)	(95,194)	(2,566,007)
Effect of business combinations	-	(423,671)	-	-	-	-	-	(888)	(424,559)
Reclassification	-	16,791	196,694	19,004	-	(11,537)	-	(254,293)	(33,337)
Effect of foreign currency exchange differences	5,355	(461,196)	(1,248,949)	(72,907)	160	(30,536)	(49,500)	(259,037)	(2,116,610)
June 30, 2016	<u>\$ 2,330,766</u>	<u>\$ 19,593,733</u>	<u>\$ 41,081,100</u>	<u>\$ 3,391,304</u>	<u>\$ 69,816</u>	<u>\$ 2,223,116</u>	<u>\$ 1,448,058</u>	<u>\$ 7,852,424</u>	<u>\$ 77,990,317</u>

(Continued)

	Freehold Land	Buildings	Machinery Equipment	Tooling Equipment	Transportation Equipment	Office Equipment	Equipment Held under Finance Leases	Other Equipment	Total
Accumulated depreciation									
January 1, 2016	\$ -	\$ 8,685,181	\$ 27,604,565	\$ 3,298,595	\$ 55,867	\$ 2,028,918	\$ 1,170,552	\$ 4,083,357	\$ 46,927,035
Additions	-	388,069	2,350,616	85,165	3,651	102,971	50,670	262,284	3,243,426
Disposals	-	(68,227)	(1,661,069)	(119,978)	(2,570)	(260,933)	(1,190)	(93,401)	(2,207,368)
Effect of business combinations	-	(89,320)	-	-	-	-	-	(460)	(89,780)
Reclassification	-	-	(163)	-	(2)	-	-	163	(2)
Effect of foreign currency exchange differences	-	(211,503)	(775,405)	(71,141)	26	(29,616)	(36,195)	(120,788)	(1,244,622)
June 30, 2016	<u>\$ -</u>	<u>\$ 8,704,200</u>	<u>\$ 27,518,544</u>	<u>\$ 3,192,641</u>	<u>\$ 56,972</u>	<u>\$ 1,841,340</u>	<u>\$ 1,183,837</u>	<u>\$ 4,131,155</u>	<u>\$ 46,628,689</u>
Accumulated impairment									
January 1, 2016	\$ -	\$ 380,217	\$ 846,869	\$ 21,000	\$ 747	\$ 8,839	\$ 42,156	\$ 158,562	\$ 1,458,390
Additions	-	-	2,332	-	-	-	-	10,636	12,968
Disposals	-	(134,323)	(14,079)	(12,907)	-	(836)	-	(18,569)	(180,714)
Effect of business combinations	-	(33,999)	-	-	-	-	-	-	(33,999)
Reclassification	-	-	(2,106)	-	-	-	-	-	(2,106)
Effect of foreign currency exchange differences	-	(7,270)	(32,703)	-	(29)	(270)	(1,625)	12,051	(29,846)
June 30, 2016	<u>\$ -</u>	<u>\$ 204,625</u>	<u>\$ 800,313</u>	<u>\$ 8,093</u>	<u>\$ 718</u>	<u>\$ 7,733</u>	<u>\$ 40,531</u>	<u>\$ 162,680</u>	<u>\$ 1,224,693</u>
June 30, 2016, net	<u>\$ 2,330,766</u>	<u>\$ 10,684,908</u>	<u>\$ 12,762,243</u>	<u>\$ 190,570</u>	<u>\$ 12,126</u>	<u>\$ 374,043</u>	<u>\$ 223,690</u>	<u>\$ 3,558,589</u>	<u>\$ 30,136,935</u>

(Concluded)

As the result of the declining sale of some of the products in the market, the estimated future cash flows expected to arise from the related equipment was decreased. The Group carried out a review of the recoverable amount of that related equipment and determined that the carrying amount exceeded the recoverable amount. For the three months and six months ended June 30, 2017, the impairment losses recognized were \$7,478 thousand and \$9,438 thousand, respectively. For the three months and six months ended June 30, 2016, the impairment losses recognized were \$12,187 thousand and \$12,968 thousand, respectively. The impairment losses were recognized in the consolidated statements of comprehensive income.

The Group determined the recoverable amount of the related equipment on the basis of their fair value less costs of disposal. The fair value of the recoverable amount was categorized as a Level 1 measurement.

The above items of property, plant and equipment were depreciated on a straight-line basis at the following rates per annum:

Buildings	5-60 years
Machinery equipment	2-10 years
Tooling equipment	2-20 years
Transportation equipment	3-10 years
Office equipment	2-20 years
Equipment held under finance leases	2-10 years
Other equipment	2-20 years

15. INVESTMENT PROPERTIES, NET

	June 30, 2017	December 31, 2016	June 30, 2016
Completed investment properties	<u>\$ 399,581</u>	<u>\$ 429,790</u>	<u>\$ 464,910</u>

For the six months ended June 30, 2017 and 2016, the investment properties held by the Group had no significant increases, disposal and impairment, but depreciation expenses were recognized for these properties.

The investment properties held by the Group were depreciated using the straight-line method over their estimated useful lives of 20 years.

Valued by Wuxi Zhongzheng Assets Appraisal Co., the fair value of the investment properties estimated using unobservable inputs (Level 3) as of December 31, 2016 was \$569,278 thousand. The Group's management estimated that there are no significant differences between this fair value on December 31, 2016 and that on June 30, 2017.

The Group has freehold interest in all of its investment properties.

16. OTHER INTANGIBLE ASSETS, NET

	Goodwill	Patents	Patents Use Rights	Client Relationships	Software	Other Intangible Assets	Total
<u>Cost</u>							
January 1, 2017	\$ 15,416,303	\$ 38,570	\$ 2,695,878	\$ 163,819	\$ 833,595	\$ 1,888,423	\$ 21,036,588
Additions	-	-	-	-	92,407	1,771	94,178
Disposals	-	-	-	-	(1,386)	(3,665)	(5,051)
Reclassification	-	11,535	-	-	7,443	(9,568)	9,410
Effect of foreign currency exchange differences	(8,290)	(8)	-	-	(2,802)	(8,768)	(19,868)
June 30, 2017	<u>\$ 15,408,013</u>	<u>\$ 50,097</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 929,257</u>	<u>\$ 1,868,193</u>	<u>\$ 21,115,257</u>
<u>Accumulated amortization</u>							
January 1, 2017	\$ 77,234	\$ 34,161	\$ 2,358,895	\$ 163,819	\$ 587,078	\$ 1,816,431	\$ 5,037,618
Additions	-	1,515	112,328	-	84,479	8,586	206,908
Disposals	-	-	-	-	(1,386)	(2,599)	(3,985)
Reclassification	-	11,535	-	-	3,784	(9,568)	5,751
Effect of foreign currency exchange differences	-	-	-	-	(2,041)	(6,917)	(8,958)
June 30, 2017	<u>\$ 77,234</u>	<u>\$ 47,211</u>	<u>\$ 2,471,223</u>	<u>\$ 163,819</u>	<u>\$ 671,914</u>	<u>\$ 1,805,933</u>	<u>\$ 5,237,334</u>
<u>Accumulated impairment</u>							
January 1, 2017	\$ 789,743	\$ -	\$ -	\$ -	\$ (507)	\$ -	\$ 789,236
Reclassification	-	-	-	-	519	-	519
June 30, 2017	<u>\$ 789,743</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 789,755</u>
June 30, 2017, net	<u>\$ 14,541,036</u>	<u>\$ 2,886</u>	<u>\$ 224,655</u>	<u>\$ -</u>	<u>\$ 257,331</u>	<u>\$ 62,260</u>	<u>\$ 15,088,168</u>
<u>Cost</u>							
January 1, 2016	\$ 15,524,903	\$ 37,773	\$ 2,695,878	\$ 163,819	\$ 669,053	\$ 1,991,449	\$ 21,082,875
Additions	-	800	-	-	53,109	3,487	57,396
Disposals	-	-	-	-	(14,020)	(35,031)	(49,051)
Effect of business combinations	(75,671)	-	-	-	(573)	-	(76,244)
Reclassification	-	-	-	-	33,345	-	33,345
Effect of foreign currency exchange differences	(3,491)	(2)	-	-	2,223	(15,016)	(16,286)
June 30, 2016	<u>\$ 15,445,741</u>	<u>\$ 38,571</u>	<u>\$ 2,695,878</u>	<u>\$ 163,819</u>	<u>\$ 743,137</u>	<u>\$ 1,944,889</u>	<u>\$ 21,032,035</u>
<u>Accumulated amortization</u>							
January 1, 2016	\$ 77,234	\$ 30,853	\$ 2,134,238	\$ 163,819	\$ 415,910	\$ 1,869,056	\$ 4,691,110
Additions	-	1,735	112,328	-	92,818	26,043	232,924
Disposals	-	-	-	-	(13,095)	(33,888)	(46,983)
Effect of business combinations	-	-	-	-	(285)	-	(285)
Effect of foreign currency exchange differences	-	-	-	-	2,870	(11,590)	(8,720)
June 30, 2016	<u>\$ 77,234</u>	<u>\$ 32,588</u>	<u>\$ 2,246,566</u>	<u>\$ 163,819</u>	<u>\$ 498,218</u>	<u>\$ 1,849,621</u>	<u>\$ 4,868,046</u>
<u>Accumulated impairment</u>							
January 1, 2016	\$ 453,533	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 453,533
June 30, 2016	<u>\$ 453,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 453,533</u>
June 30, 2016, net	<u>\$ 14,914,974</u>	<u>\$ 5,983</u>	<u>\$ 449,312</u>	<u>\$ -</u>	<u>\$ 244,919</u>	<u>\$ 95,268</u>	<u>\$ 15,710,456</u>

- a. The above items of other intangible assets were depreciated on a straight-line basis at the following rates per annum:

Patents	6 years
Patents use rights	12 years
Client relationships	4 years
Software	1-14 years
Other intangible assets	1-10 years

- b. The amounts of cash-generating unit used in amortizing the Group's goodwill are listed as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Lite-On Mobile Pte. Ltd.	\$ 8,545,302	\$ 8,533,126	\$ 8,562,285
The Parent Company	5,617,208	5,617,208	5,953,418
Power Innovations International Inc.	339,642	360,108	360,387
Others	<u>38,884</u>	<u>38,884</u>	<u>38,884</u>
	<u>\$ 14,541,036</u>	<u>\$ 14,549,326</u>	<u>\$ 14,914,974</u>

Goodwill is allocated to the Group's recoverable amount of cash-generating units. The recoverable amount of all cash-generating units has been determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering the future four to five-year period. The discount rate used in the value-in-use calculation was 9.71%. Pre-tax cash flow projections after the four to five-year period are expected to have zero growth thereon. As of June 30, 2017 and 2016, the recoverable amount of all cash-generating units calculated using the value-in-use exceeded their carrying amount, so goodwill was not impaired.

Management determined gross margin based on past performance and future profits. The growth rate used is consistent with the forecasts included in industry reports. The discount rates used are pre-tax and reflect specific risks relating to the relevant cash-generating units.

17. OTHER ASSETS

	June 30, 2017	December 31, 2016	June 30, 2016
Prepayments	\$ 2,229,484	\$ 1,929,273	\$ 2,555,194
Prepayments for leases	649,771	615,138	705,401
Offset against business tax payable	626,982	594,015	1,043,184
Prepayment for equipment	41,743	29,912	64,713
Others	<u>270,208</u>	<u>208,441</u>	<u>275,663</u>
	<u>\$ 3,818,188</u>	<u>\$ 3,376,779</u>	<u>\$ 4,644,155</u>
Current	\$ 2,996,335	\$ 2,619,735	\$ 3,816,785
Non-current	<u>821,853</u>	<u>757,044</u>	<u>827,370</u>
	<u>\$ 3,818,188</u>	<u>\$ 3,376,779</u>	<u>\$ 4,644,155</u>

Prepayments for lease with carrying amounts of \$585,363 thousand, \$582,914 thousand and \$618,539 thousand as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively, referred to land use rights located in mainland China.

18. BORROWINGS

a. Short-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Unsecured borrowings</u>			
Line of credit borrowings	<u>\$ 19,712,537</u>	<u>\$ 14,386,282</u>	<u>\$ 16,705,089</u>

Market interest rates for short-term borrowings were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Short-term borrowings	0.7%-2.04%	0.78%-8.55%	0.77%-2.64%

b. Long-term borrowings

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Unsecured borrowings</u>			
The Parent Company	\$ 12,000,000	\$ 12,000,000	\$ 12,500,000
Lite-On Japan Ltd.	25,286	47,663	79,096
Lite-On Mobile Pte. Ltd.	-	6,440,000	6,445,000
Silitech Technology Corp.	-	1,440,000	1,440,000
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	-	-	257,800
	<u>12,025,286</u>	<u>19,927,663</u>	<u>20,721,896</u>
Current portion	<u>(4,822,073)</u>	<u>(7,889,817)</u>	<u>(6,896,637)</u>
	<u>7,203,213</u>	<u>12,037,846</u>	<u>13,825,259</u>
<u>Secured borrowings</u>			
Power Innovations International Inc.	1,764	2,406	2,932
Current portion	<u>(1,043)</u>	<u>(1,082)</u>	<u>(1,060)</u>
	<u>721</u>	<u>1,324</u>	<u>1,872</u>
	<u>\$ 7,203,934</u>	<u>\$ 12,039,170</u>	<u>\$ 13,827,131</u>

- 1) As of June 30, 2017, December 31, 2016 and June 30, 2016, the Parent Company had 2 long-term bank loans, respectively, with contract terms between October 19, 2011 and September 23, 2021. The floating interest rates are (1.5789% to 1.7895%, 1.5789% to 1.7895% and 1.51023% to 1.5789% as of June 30, 2017, December 31, 2016 and June 30, 2016, respectively) payable monthly or quarterly. These loans should be repaid in 5 installments or at lump sum on loan maturity.

On September 23, 2008, the Parent Company signed a contract for a five-year syndicated loan with Citibank and 14 other financial institutions, and on May 16, 2011 changed the contract period to seven years from 2008. The repayment period is between September 23, 2008 and September 22, 2015. The credit line is \$15 billion, consisting of (a) \$12 billion and (b) \$3 billion of the credit line of the above syndicated loan. The Parent Company had repaid the syndicated loan in September 2015.

On September 12, 2013, the Parent Company signed another contract for a five-year syndicated loan with Citibank and 17 other financial institutions. The credit line was \$15 billion, which was for the Parent Company to repay the former syndicated loan with Citibank signed on September 23, 2008, consisting of (a) \$12 billion and (b) \$3 billion of the credit line of the above syndicated loan. It should be used as a medium-term loan but may not be used on a revolving basis. The principal of this syndicated loan should be repaid three years after September 23, 2013 in five semiannual installments with the first payment paid on September 23, 2016, and the interest rate is the 90-day Taipei Interbank Offered Rate plus 61 points. Under the syndicated loan agreement, the Parent Company should maintain the agreed financial ratios based on the most recent semiannual or annual financial statements. As of June 30, 2017, December 31, 2016 and June 30, 2016, the Parent Company used \$7.2 billion, \$9.6 billion, and \$12 billion, respectively, of the credit line of the above (a) syndicated loan.

On June 27, 2016, the Parent Company signed another contract for a five-year syndicated loan with Citibank and 15 other financial institutions. The credit line was \$12 billion, which was for the Parent Company to repay the former syndicated loan with Citibank signed on September 12, 2013. It should be used as a medium-term loan but may not be used on a revolving basis. The principal of this syndicated loan should be repaid three years after June 27, 2016 in five semiannual installments with the first payment paid on June 27, 2019, and the interest rate is the 90-day Taipei Interbank Offered Rate plus 60 points. Under the syndicated loan agreement, the Parent Company should maintain the agreed financial ratios based on the most recent semiannual or annual financial statements. As of June 30, 2017 and December 31, 2016, the Parent Company used \$4.8 billion and \$2.4 billion, respectively, of the credit line of the above syndicated loan.

- 2) As of June 30, 2017, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 2 long-term bank loans, with contract terms from June 2013 to October 2018, with interest rates of 1.3% and principals repayable in trimestral installments.

As of December 31, 2016, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 4 long-term bank loans, with contract terms from March 2012 to October 2018, with interest rates of 1.3% to 1.5370% and principals repayable in trimestral installments.

As of June 30, 2016, Lite-On Japan Ltd., a subsidiary of the Parent Company, had 5 long-term bank loans, with contract terms from March 2011 to October 2018, with interest rates of 1% to 1.35% and principals repayable in trimestral installments.

- 3) Lite-On Mobile Pte. Ltd., a subsidiary of the Parent Company, had a long-term, syndicated-bank loan as of December 31, 2016 and June 30, 2016. The floating interest rates were 1.98733% and 1.7296% to 1.7384%, respectively. The first repayment of each loan should be made three years after the loan starting date. The remaining principal is repayable after the first repayment in five semiannual installments.

On April 29, 2011, Lite-On Mobile Pte. Ltd. signed a loan contract with Citibank and 13 other financial institutions (the endorsements and guarantees were provided by the Parent Company). This contract is on a five-year syndicated loan of US\$200 million.

On March 31, 2014, Lite-On Mobile Pte. Ltd. signed with Citibank and 12 other financial institutions (the endorsements and guarantees were provided by the Parent Company). This contract is on a five-year syndicated loan of US\$200 million. This syndicated loan was for Lite-On Mobile Pte. Ltd. to prepay the syndicated loan with Citibank under a contract signed on April 29, 2011. The syndicated loan was repaid in April 2017.

- 4) Silitech Technology Co., Ltd., a subsidiary of the Parent Company, entered into a \$2.4 billion syndicated loan contract, with the Land Bank of Taiwan as lead bank and a contract term from February 18, 2013 to February 18, 2018. This loan was obtained for the purposes of supporting working capital and capital expenditure. As of both December 31, 2016 and June 30, 2016, Silitech had used \$1.44 billion of the syndicated loan, with a floating interest rate of 1.5856%. The syndicated loan was repaid in June 2017.
- 5) On December 28, 2011, Guangzhou Lite-On Mobile Electronic Components Co., Ltd., a subsidiary of the Parent Company, signed a contract for a five-year syndicated loan with Citibank and 10 other financial institutions. The credit line was US\$50 million (the endorsements and guarantees were provided by the Parent Company). The syndicate loan was repaid in December 2016.
- 6) As of June 30, 2017, December 31, 2016 and June 30, 2016, Power Innovations International Inc., a subsidiary of the Parent Company, had a long-term borrowing secured by machinery, with contract terms from March 28, 2013 to February 28, 2019 and an interest rate of 4.4%.

19. FINANCE LEASE PAYABLES

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Minimum lease payments</u>			
Not later than one year	\$ 1,760	\$ 1,866	\$ 48,418
Later than one year and not later than five years	<u>2,725</u>	<u>3,822</u>	<u>4,759</u>
	4,485	5,688	53,177
Future finance charges	<u>(256)</u>	<u>(385)</u>	<u>(1,111)</u>
	<u>\$ 4,229</u>	<u>\$ 5,303</u>	<u>\$ 52,066</u>
<u>Present value of minimum lease payments</u>			
Not later than one year	\$ 1,581	\$ 1,657	\$ 47,579
Later than one year and not later than five years	<u>2,648</u>	<u>3,646</u>	<u>4,487</u>
	<u>\$ 4,229</u>	<u>\$ 5,303</u>	<u>\$ 52,066</u>
Current	\$ 1,581	\$ 1,657	\$ 47,579
Non-current	<u>2,648</u>	<u>3,646</u>	<u>4,487</u>
	<u>\$ 4,229</u>	<u>\$ 5,303</u>	<u>\$ 52,066</u>
Power Innovations International Inc.	\$ 4,229	\$ 5,303	\$ 6,109
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	<u>-</u>	<u>-</u>	<u>45,957</u>
	4,229	5,303	52,066
Current portion of long-term capital lease liabilities	<u>(1,581)</u>	<u>(1,657)</u>	<u>(47,579)</u>
	<u>\$ 2,648</u>	<u>\$ 3,646</u>	<u>\$ 4,487</u>

- a. Power Innovations International Inc. leased machinery and equipment under finance leases valid from March 28, 2013 to March 31, 2020. The terms of these leases were between five and seven years, with 3.49% to 4.75% interest rates. The machinery and equipment can be bought at bargain purchase prices at the end of the lease terms.

- b. Guangzhou Lite-On Mobile Electronic Components Co., Ltd. leased buildings, machinery and equipment under financial leases valid from January 1, 2007 to December 31, 2016. The terms of these leases were 10 years, with a 7.11% interest rate.

20. PROVISIONS

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Current</u>			
Warranties	<u>\$ 919,650</u>	<u>\$ 1,032,113</u>	<u>\$ 938,722</u>
		For the Six Months Ended June 30	
		2017	2016
Balance at January 1		\$ 1,032,113	\$ 1,068,810
Recognition (reversal) of provisions		107,444	(2,154)
Usage		(215,393)	(124,086)
Effect of foreign currency exchange differences		<u>(4,514)</u>	<u>(3,848)</u>
Balance at June 30		<u>\$ 919,650</u>	<u>\$ 938,722</u>

Based on the local legislation for the sale of goods, provision for warranty claims is the present value of management's best estimate of the future outflow of economic benefits that will be required under the Company's obligations for warranties. The estimate had been made on the basis of historical warranty trends and may vary as a result of the entry of new materials, altered manufacturing processes or other events affecting product quality.

21. RETIREMENT BENEFIT PLANS

Employee benefits expense in respect of the Group's defined retirement benefit plans was \$9,797 thousand, \$10,254 thousand, \$19,819 thousand and \$20,679 thousand for the three months and six months ended June 30, 2017 and 2016, respectively, and were calculated using the actuarially determined pension cost discount rate as of December 31, 2016 and 2015, respectively.

22. EQUITY

a. Share capital

1) Ordinary shares

	June 30, 2017	December 31, 2016	June 30, 2016
Number of shares authorized (in thousands)	<u>3,500,000</u>	<u>3,500,000</u>	<u>3,500,000</u>
Amount of shares authorized	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>	<u>\$ 35,000,000</u>
Number of shares issued and fully paid (in thousands)	<u>2,350,867</u>	<u>2,350,867</u>	<u>2,334,928</u>
Amount of shares issued	<u>\$ 23,508,670</u>	<u>\$ 23,508,670</u>	<u>\$ 23,349,283</u>

Fully paid ordinary shares, which have a par value of \$10, carry one right to vote and carry a right to dividends per share.

Of the Parent Company's authorized shares, 100,000 thousand shares had been reserved for the issuance of employee share options.

2) Issued global depositary receipts

On September 25, 1996, the Parent Company issued 4,900 thousand units of global depositary receipts (GDRs) on the London Stock Exchange. These GDRs represented 49,000 thousand ordinary shares of the Parent Company.

On April 3, 1995, GVC Corp. issued 5,000 thousand units of GDRs on the London Stock Exchange. These GDRs represented 25,000 thousand ordinary shares of GVC Corp., which later issued more shares. As of November 4, 2002, the outstanding GDRs were 7,627 thousand units, or 38,136 thousand ordinary shares of GVC Corp. For merger purposes, these GDRs were exchanged for the Parent Company's 1,478 thousand marketable equity securities, which represented the Parent Company's 14,781 thousand ordinary shares.

As of June 30, 2017, December 31, 2016 and June 30, 2016, the outstanding GDRs were 5,221 thousand units, 5,221 thousand units and 5,217 thousand units, representing 52,209 thousand ordinary shares, 52,209 thousand ordinary shares and 52,168 thousand ordinary shares of the Parent Company, respectively. The rights and obligation of security holders are the same as those of ordinary shareholders, except for voting rights. As of June 30, 2017, December 31, 2016 and June 30, 2016, the unredeemed GDRs amounted to 895 thousand units, 890 thousand units and 821 thousand units.

b. Capital surplus

The premium from shares issued in excess of par (including share premium from issuance of ordinary shares, conversion of bonds and merger) may be used to offset a deficit; in addition, when the Parent Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to capital (limited to a certain percentage of the Parent Company's capital surplus and once a year).

The capital surplus arising from share of changes in equities of subsidiaries, changes in equities of associates and joint ventures accounted for by the equity method and treasury share transactions from dividends according to the Parent Company's shares holding by subsidiaries may only be used to offset a deficit.

c. Retained earnings and dividend policy

In accordance with the amendments to the Company Act in May 2015, the recipients of dividends and bonuses are limited to shareholders and do not include employees. The shareholders held their regular meeting on June 24, 2016 and, in that meeting, had resolved amendments to the Company's Articles of Incorporation (the "Articles"), particularly the amendment to the policy on dividend distribution and the addition of the policy on distribution of employees' compensation.

Under the dividend policy as set forth in the amended Articles, if there is net profit after tax upon the final settlement of account of each fiscal year, the Parent Company shall first offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve is equal to the total capital of the Parent Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining net profit, plus the beginning unappropriated earnings (including adjustment of unappropriated earnings if any), shall be distributed into dividends to shareholders according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval. For the policies on distribution of employees' compensation and remuneration of directors before and after amendment, refer to Note 26(b) on employee benefits expense.

The Parent Company's dividend policy is designed to meet present and future development projects and takes into consideration the investment environment, funding requirements, international or domestic competitive conditions while simultaneously meeting shareholders' interests. When there is no cumulative loss, the Parent Company shall set aside share dividends at no less than 70% of the net profit. The way to distribute dividends could be either through cash or shares, and cash dividends shall not be less than 90% of the total dividends.

After the Parent Company considers financial, business, and operational factors, if there are no retained earnings to be appropriated or if the earnings to be appropriated are significantly lower than the prior year's actual appropriation of the earnings,, then part of or all of the Parent Company's paid-in capital can be appropriated according to the law or the competent authority.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Parent Company's paid-in capital. Legal reserve may be used to offset deficit. If the Parent Company has no deficit and the legal reserve has exceeded 25% of the Parent Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs", the Parent Company should appropriate or reverse a special reserve. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

Except for non-ROC resident shareholders, all shareholders receiving the dividends are allowed a tax credit equal to their proportionate share of the income tax paid by the Parent Company.

The appropriations of earnings for 2016 and 2015 having been approved in the shareholders' meetings on June 22, 2017 and June 24, 2016, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share	
	2016	2015	(NT\$)	
	2016	2015	2016	2015
Legal reserve	\$ 941,635	\$ 722,290		
Special reserve	940,276	166,389		
Cash dividends	6,864,532	5,113,493	\$ 2.92	\$ 2.19
Share dividends	-	116,746	-	0.05

d. Other equity items

Movements in other equity items were as follows:

For the Six Months Ended June 30, 2017				
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for- sale Financial Assets	Cash Flow Hedges	Total
Balance at January 1	\$ (1,195,684)	\$ (126,588)	\$ -	\$ (1,322,272)
Exchange differences arising on translating the financial statements of foreign operations	(2,419,681)	-	-	(2,419,681)
Gain arising on changes in the fair value of available-for-sale financial assets	-	81,319	-	81,319
Share of other comprehensive income (loss) of associates	(125,881)	7,679	2,561	(115,641)
Income tax benefit	<u>421,442</u>	<u>-</u>	<u>-</u>	<u>421,442</u>
Balance at June 30	<u>\$ (3,319,804)</u>	<u>\$ (37,590)</u>	<u>\$ 2,561</u>	<u>\$ (3,354,833)</u>

For the Six Months Ended June 30, 2016			
	Foreign Currency Translation Reserve	Unrealized Gain (Loss) from Available-for- sale Financial Assets	Total
Balance at January 1		\$ 3,347,902	\$ (152,714)
Exchange differences arising on translating the financial statements of foreign operations		(2,348,712)	-
Gain arising on changes in the fair value of available-for-sale financial assets		-	26,117
Reclassification to income from disposal of available-for-sale financial assets		-	(2,896)
Share of other comprehensive income (loss) of associates		(142,515)	13,242
Effect of deconsolidation of subsidiaries (Note 27)		(3,320)	-
Income tax benefit		<u>391,623</u>	<u>-</u>
Balance at June 30		<u>\$ 1,244,978</u>	<u>\$ (116,251)</u>

The exchange differences arising on translation of foreign operation's net assets from its functional currency to the Parent Company's presentation currency are recognized directly in other comprehensive income and also accumulated in the foreign currency translation reserve.

Unrealized gain/loss on available-for-sale financial assets represents the cumulative gains or losses arising from the fair value measurement on available-for-sale financial assets that are recognized in other comprehensive income. When those available-for-sale financial assets have been disposed of or are determined to be impaired subsequently, the related cumulative gains or losses in other comprehensive income are reclassified to profit or loss.

The cash flow hedges reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of the hedging instruments entered into as cash flow hedges. The cumulative gain or loss arising on changes in fair value of the hedging instruments that are recognized and accumulated in cash flow hedges reserve will be reclassified to profit or loss only when the hedge transaction affects profit or loss.

e. Non-controlling interests

	For the Six Months Ended June 30	
	2017	2016
Balance at January 1	\$ 3,348,901	\$ 3,695,082
Attributable to non-controlling interests:		
Share of loss for the year	(13,607)	(33,003)
Exchange difference arising on translation of foreign entities	(90,936)	(33,116)
Unrealized gains and losses on available-for-sale financial assets	2	(78)
Related tax benefit (expense)	3,544	(5,866)
Effect of deconsolidation of subsidiaries (Note 27)	-	(26,985)
Decrease in non-controlling interests	<u>(30,010)</u>	<u>(59,863)</u>
Balance at June 30	<u>\$ 3,217,894</u>	<u>\$ 3,536,171</u>

The Group recognized a decrease in non-controlling interests for the six months ended June 30, 2017 and 2016 because of the attribution of cash dividends to non-controlling interests amounting to \$32,239 thousand and \$94,185 thousand, respectively.

f. Treasury shares

	Unit: In Thousands of Shares			
Purpose of Buy Back	Number of Shares at January 1	Increase During the Period	Decrease During the Period	Number of Shares at June 30
For the six months ended <u>June 30, 2017</u>				
Shares held by subsidiaries	<u>26,841</u>	<u>-</u>	<u>-</u>	<u>26,841</u>
For the six months ended <u>June 30, 2016</u>				
Shares held by subsidiaries	<u>26,708</u>	<u>-</u>	<u>-</u>	<u>26,708</u>

The Parent Company's shares held by its subsidiaries at the end of the reporting periods were as follows:

Name of Subsidiary	Number of Shares Held (In Thousands)	Carrying Amount	Market Price
<u>June 30, 2017</u>			
Lite-On Capital Corp.	15,116	\$ 718,857	\$ 755,793
LTC International Ltd.	7,004	297,469	349,951
Yet Foundate Ltd.	2,271	126,881	113,368
Lite-On Electronics Co., Ltd.	2,450	<u>105,515</u>	<u>122,320</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,341,432</u>
<u>December 31, 2016</u>			
Lite-On Capital Corp.	15,116	\$ 718,857	\$ 734,631
LTC International Ltd.	7,004	297,469	340,269
Yet Foundate Ltd.	2,271	126,881	110,276
Lite-On Electronics Co., Ltd.	2,450	<u>105,515</u>	<u>118,984</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,304,160</u>
<u>June 30, 2016</u>			
Lite-On Capital Corp.	15,041	\$ 718,857	\$ 663,299
LTC International Ltd.	6,969	297,469	307,208
Yet Foundate Ltd.	2,260	126,881	99,554
Lite-On Electronics Co., Ltd.	2,438	<u>105,515</u>	<u>107,415</u>
		<u>\$ 1,248,722</u>	<u>\$ 1,177,476</u>

Under the Securities and Exchange Act, the Parent Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

23. REVENUE

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Revenue from the sale of goods	\$ 53,031,784	\$ 53,760,411	\$ 104,349,262	\$ 103,567,295
Rental income from property	29,114	27,903	56,569	56,144
Solar power	<u>-</u>	<u>1,109</u>	<u>6,767</u>	<u>8,039</u>
	<u>\$ 53,060,898</u>	<u>\$ 53,789,423</u>	<u>\$ 104,412,598</u>	<u>\$ 103,631,478</u>

For segment revenue information, refer to Note 35.

24. INCOME TAX

a. Income tax recognized in profit or loss

The major components of tax expense were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Current income tax expense				
Current period	\$ 565,422	\$ 400,220	\$ 1,025,882	\$ 823,034
Unappropriated earnings	<u>61,361</u>	<u>104,038</u>	<u>61,361</u>	<u>104,038</u>
	<u>626,783</u>	<u>504,258</u>	<u>1,087,243</u>	<u>927,072</u>
Deferred tax	<u>12,428</u>	<u>89,922</u>	<u>177,157</u>	<u>234,558</u>
Income tax expense recognized in profit or loss	<u>\$ 639,211</u>	<u>\$ 594,180</u>	<u>\$ 1,264,400</u>	<u>\$ 1,161,630</u>

b. Income tax benefit (expense) recognized in other comprehensive income

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
<u>Deferred tax</u>				
Income tax benefit (expense) recognized in other comprehensive income				
Translation of foreign operations	<u>\$ (165,980)</u>	<u>\$ 207,391</u>	<u>\$ 424,986</u>	<u>\$ 385,757</u>

c. Integrated income tax

	June 30, 2017	December 31, 2016	June 30, 2016
Unappropriated earnings			
Unappropriated earnings generated before January 1, 1998	\$ 2,215	\$ 2,215	\$ 2,215
Unappropriated earnings generated on and after January 1, 1998	<u>11,253,146</u>	<u>16,249,991</u>	<u>10,539,944</u>
	<u>\$ 11,255,361</u>	<u>\$ 16,252,206</u>	<u>\$ 10,542,159</u>
Imputation credits accounts	<u>\$ 1,517,412</u>	<u>\$ 1,034,031</u>	<u>\$ 1,291,515</u>

The estimated and actual creditable ratio for distribution of earnings of 2016 and 2015 were 7.83% and 8.13%, respectively.

d. Income tax assessments

The tax returns of Parent Company through all years by 2014 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT\$ Per Share

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Basic earnings per share	\$ 0.76	\$ 0.84	\$ 1.61	\$ 1.57
Diluted earnings per share	\$ 0.76	\$ 0.83	\$ 1.61	\$ 1.56

The earnings and weighted average number of ordinary shares outstanding in the computation of earnings per share were as follows:

Net Profit for the Period

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Earnings used in the computation of basic earnings per share	\$ 1,767,245	\$ 1,942,061	\$ 3,749,598	\$ 3,650,004
Effect of potentially dilutive ordinary shares:				
Employees' compensation	-	-	-	-
Earnings used in the computation of diluted earnings per share	\$ 1,767,245	\$ 1,942,061	\$ 3,749,598	\$ 3,650,004

Weighted Average Number of Ordinary Shares Outstanding

Unit: In Thousands of Shares

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	2,324,026	2,324,158	2,324,026	2,322,204
Effect of potentially dilutive ordinary shares:				
Employees' compensation	10,611	11,770	10,611	13,734
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	2,334,637	2,335,928	2,334,637	2,335,938

If the Parent Company settles the bonuses or remuneration paid to employees in cash or shares, the Parent Company presumed that the entire amount of the bonus or remuneration would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. The dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. ADDITIONAL INFORMATION ON EXPENSES

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
a. Depreciation and amortization				
Property, plant and equipment	\$ 1,419,455	\$ 1,599,305	\$ 2,868,877	\$ 3,243,426
Investment properties	7,164	8,069	14,515	16,304
Intangible assets	<u>103,697</u>	<u>115,907</u>	<u>206,908</u>	<u>232,924</u>
	<u>\$ 1,530,316</u>	<u>\$ 1,723,281</u>	<u>\$ 3,090,300</u>	<u>\$ 3,492,654</u>
An analysis of depreciation by function				
Recognized in operating costs	\$ 1,225,760	\$ 1,382,724	\$ 2,474,546	\$ 2,819,842
Recognized in operating expenses	<u>200,859</u>	<u>224,650</u>	<u>408,846</u>	<u>439,888</u>
	<u>\$ 1,426,619</u>	<u>\$ 1,607,374</u>	<u>\$ 2,883,392</u>	<u>\$ 3,259,730</u>
An analysis of amortization by function				
Recognized in operating costs	\$ 7,180	\$ 12,019	\$ 14,276	\$ 24,513
Recognized in operating expenses	<u>96,517</u>	<u>103,888</u>	<u>192,632</u>	<u>208,411</u>
	<u>\$ 103,697</u>	<u>\$ 115,907</u>	<u>\$ 206,908</u>	<u>\$ 232,924</u>
b. Employee benefits expense				
Post-employment benefits				
Defined contribution plans	\$ 186,514	\$ 210,364	\$ 377,182	\$ 407,854
Defined benefit plans (Note 21)	<u>9,797</u>	<u>10,254</u>	<u>19,819</u>	<u>20,679</u>
	196,311	220,618	397,001	428,533
Termination benefits	141,531	95,172	156,303	112,313
Other employee benefits	<u>6,082,927</u>	<u>6,167,085</u>	<u>12,044,029</u>	<u>12,196,664</u>
	<u>\$ 6,420,769</u>	<u>\$ 6,482,875</u>	<u>\$ 12,597,333</u>	<u>\$ 12,737,510</u>
Employee benefits expense summarized by function				
Recognized in operating costs	\$ 3,944,893	\$ 4,064,401	\$ 7,631,177	\$ 7,946,252
Recognized in operating expenses	<u>2,475,876</u>	<u>2,418,474</u>	<u>4,966,156</u>	<u>4,791,258</u>
	<u>\$ 6,420,769</u>	<u>\$ 6,482,875</u>	<u>\$ 12,597,333</u>	<u>\$ 12,737,510</u>

In compliance with the Company Act as amended in May 2015 and the amended Articles as resolved in the shareholders' meeting on June 2016, the Parent Company distributed employees' compensation and remuneration of directors at rates of no less than 1% and no higher than 1.5%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months and six month ended June 30, 2017 and 2016, the employees' compensation and the remuneration of directors were as follows:

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Employees' compensation	<u>\$ 250,065</u>	<u>\$ 274,802</u>	<u>\$ 530,568</u>	<u>\$ 516,476</u>
Remuneration of directors	<u>\$ 15,022</u>	<u>\$ 16,507</u>	<u>\$ 31,872</u>	<u>\$ 31,025</u>

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate and will be adjusted in the next year.

The appropriations of employee' compensation and remuneration of directors for 2016 and 2015, which had been resolved by the board of directors on February 24, 2017 and March 25, 2016, respectively, were as follows:

	For the Year Ended December 31			
	2016		2015	
	Cash Dividends	Share Dividends	Cash Dividends	Share Dividends
Employees' compensation	\$ 1,332,414	\$ -	\$ 858,514	\$ 163,526
Remuneration of directors	80,039	-	61,395	-

The 4,264 thousand shares for 2015 were determined by dividing the amount of employees' compensation in shares resolved in 2016 by \$38.35, which was the closing price of the shares on the day immediately preceding the board of directors' meeting.

There was no difference between the actual amounts of the employee's compensation and the remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2016 and 2015, respectively.

Information on the 2017 employees' compensation and remuneration of directors resolved by the Parent Company's board of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

27. DECONSOLIDATION OF SUBSIDIARY

On April 28, 2016, the Parent Company's subsidiary, Lite-On Capital Corp., subscribed for additional new shares of Five Dimension Co., Ltd. at a percentage different from its existing ownership percentage and disposed of part of its holdings. Lite-On Capital Corp. lost its power to govern the financial and operating policies of Five Dimension Co., Ltd.; thus, the relevant assets and liabilities have been derecognized.

On January 27, 2016, the Parent Company's subsidiary, Lite-On Green Energy B.V., disposed of its 100% ownership in Romeo Tetti PV1 S.R.L. Lite-On Green Energy B.V. lost its power to govern the financial and operating policies of Romeo Tetti PV1 S.R.L.; thus, the relevant assets and liabilities have been derecognized.

- a. Consideration received from the disposal

	April 28, 2016	January 27, 2016
Sales proceeds	<u>\$ 15,092</u>	<u>\$ 297,778</u>

- b. Analysis of asset and liabilities on the date control was lost

	April 28, 2016	January 27, 2016
Current assets		
Cash and cash equivalents	\$ 993	\$ 3,957
Receivables, net	-	11,733
Other receivables	35,022	-
Inventories, net	417	-
Other current assets	313	15,878
Non-current assets		
Property, plant and equipment, net	459	300,321
Intangible assets, net	288	-
Refundable deposits	1,640	-
Current liabilities		
Short-term borrowings	(572)	-
Payables	-	(38,557)
Other payables	(2,086)	(15,715)
Current portion of long-term borrowings	(3,135)	-
Non-current liabilities		
Long-term borrowings, net of current portion	<u>(24,043)</u>	<u>-</u>
Net assets disposed of	<u>\$ 9,296</u>	<u>\$ 277,617</u>

- c. Gain on deconsolidation of subsidiary

	For the Six Months Ended June 30, 2016	
	Five Dimension Co., Ltd.	Romeo Tetti PV1 S.R.L.
Fair value of interest retained	\$ 80,741	\$ -
Consideration received	15,092	297,778
Add: Accumulated exchange differences reclassified to profit or loss after deconsolidation of subsidiary	3,320	-
Less: Net assets deconsolidated	9,296	277,617
Non-controlling interests	<u>26,985</u>	<u>-</u>
	36,281	277,617
Less: Goodwill of deconsolidated subsidiary	<u>55,736</u>	<u>19,935</u>
Gain on disposal (recorded as non-operating income and expenses - other income)	<u>\$ 7,136</u>	<u>\$ 226</u>

d. Net cash inflow on deconsolidation of subsidiary

**For the Six
Months Ended
June 30, 2016**

Consideration received in cash and cash equivalents	\$ 312,870
Less: Cash and cash equivalent balances disposed of	<u>(4,950)</u>
	<u><u>\$ 307,920</u></u>

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group's capital management system aims to ensure that the necessary financial resources and operating plan are enough to meet the next 12 months' requirements for working capital, capital expenditures, research and development expenses, debt repayment, dividend expenses and other need.

29. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

For certain financial instruments-including notes receivable, trade receivables, trade receivables - related parties, other receivables, other receivables - related parties, debt investments with no active market, short-term borrowings, notes payable, trade payables, trade payables - related parties, other payables, other payables - related parties, and finance lease payables-the Group's management considers the carrying amounts of these financial instruments recognized in the financial statements as approximating their fair values. For long-term loans (including their current portion) with floating rates, the carrying amounts of long-term loans are used as basis to estimate their fair value.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

June 30, 2017

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ <u>-</u>	\$ <u>156,973</u>	\$ <u>-</u>	\$ <u>156,973</u>
Financial liabilities at FVTPL				
Derivative instruments	\$ <u>-</u>	\$ <u>238,163</u>	\$ <u>-</u>	\$ <u>238,163</u>
Available-for-sale financial assets				
Securities listed in ROC - equity securities	\$ 394,554	\$ -	\$ -	\$ 394,554
Securities listed in other countries - equity securities	3,972	-	-	3,972
Unlisted securities - ROC - equity securities	-	-	15,785	15,785
Unlisted securities - other countries - equity securities	-	-	75,463	75,463
Mutual funds	-	54,510	-	54,510
Emerging market stocks	<u>-</u>	<u>178,716</u>	<u>-</u>	<u>178,716</u>
	<u>\$ 398,526</u>	<u>\$ 233,226</u>	<u>\$ 91,248</u>	<u>\$ 723,000</u>

December 31, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 173,068	\$ -	\$ 173,068
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 128,685	\$ -	\$ 128,685
Available-for-sale financial assets				
Securities listed in ROC - equity securities	\$ 313,185	\$ -	\$ -	\$ 313,185
Securities listed in other countries - equity securities	3,626	-	-	3,626
Unlisted securities - ROC - equity securities	-	-	15,785	15,785
Unlisted securities - other countries - equity securities	-	-	89,370	89,370
Mutual funds	-	57,973	-	57,973
Emerging market stocks	-	178,716	-	178,716
	<u>\$ 316,811</u>	<u>\$ 236,689</u>	<u>\$ 105,155</u>	<u>\$ 658,655</u>

June 30, 2016

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative instruments	\$ -	\$ 17,715	\$ -	\$ 17,715
Financial liabilities at FVTPL				
Derivative instruments	\$ -	\$ 64,869	\$ -	\$ 64,869
Available-for-sale financial assets				
Securities listed in ROC - equity securities	\$ 333,736	\$ -	\$ -	\$ 333,736
Securities listed in other countries - equity securities	2,921	-	-	2,921
Unlisted securities - ROC - equity securities	-	-	15,785	15,785
Unlisted securities - other countries - equity securities	-	-	91,136	91,136
Mutual funds	-	53,807	-	53,807
Emerging market stocks	-	178,716	-	178,716
	<u>\$ 336,657</u>	<u>\$ 232,523</u>	<u>\$ 106,921</u>	<u>\$ 676,101</u>

There were no transfers between Levels 1 and 2 as of the six months ended June 30, 2017 and 2016.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	Investments on Equity Instruments Unlisted Quotes
<u>For the six months ended June 30, 2017</u>	
Balance at January 1, 2017	\$ 105,155
Total gains or losses	
In profit or loss	(10,000)
In other comprehensive income	<u>(3,907)</u>
Balance at June 30, 2017	<u>\$ 91,248</u>
	(Continued)

**Investments on
Equity
Instruments
Unlisted Quotes**

For the six months ended June 30, 2016

Balance at January 1, 2016	\$ 110,462
Total gains or losses	
In profit or loss	(68,138)
In other comprehensive income	146
Additions	<u>64,451</u>
Balance at June 30, 2016	<u>\$ 106,921</u> (Concluded)

- 3) Valuation techniques and inputs applied for the purpose of measuring Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Techniques and Inputs</u>
Financial assets at FVTPL - forward exchange contracts	Estimation of future cash flows using observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.
Financial assets at FVTPL - Cross-currency swap contracts	Estimation of fair value of a currency swap contract is based on its principal and interest rate on mutual agreement and the suitable discount rate that reflects the credit risk of various counterparties at the end of the reporting period.
Mutual funds	Using the observable similar market average price or the price of the same kind of tools provided by the mutual fund management company.
Emerging market shares	Using the recent emerging market share price of similar emerging market shares of investee companies and considering the adjustment of all the information on the performance and operation of the emerging company available from trading date to measuring date.

- 4) Valuation techniques and inputs applied for the purpose of measuring Level 3 fair value measurement

The fair values of unlisted equity securities - ROC and other countries were determined using the income approach. In this approach, the discounted cash flow method was used to capture the present value of the expected economic benefits from these investments. According to the discounted cash flow analysis and observable financial market average prices or with the same kind of tool to be estimated, the use of the discount rate and the parameters can refer to Reuters news agency or Bloomberg agency or other financial institutions with essentially the same conditions and characteristics of the interest rate swap offer financial products whose features including the remaining contract terms of fixed interest rates, the payment of principal, payment of currency, and etc. All the information can be obtained by the Group.

c. Categories of financial instruments

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Financial assets</u>			
Fair value through profit or loss (FVTPL)			
Derivative instruments	\$ 156,973	\$ 173,068	\$ 17,715
Loans and receivables (1)	118,374,449	129,058,941	114,776,622
Available-for-sale financial assets	723,000	658,655	676,101
<u>Financial liabilities</u>			
Fair value through profit or loss (FVTPL)			
Derivative instruments	238,163	128,685	64,869
Amortized cost			
Short-term borrowings	19,712,537	14,386,282	16,705,089
Long-term loans (included current portion of long-term borrowings)	12,027,050	19,930,069	20,724,828
Payables (2)	84,424,628	87,712,702	78,798,879

- 1) The balances included loans and receivables measured at amortized cost, which comprise cash and cash equivalents, debt investments with no active market, notes receivable, trade receivables, trade receivables - inter, other receivables and other receivables - inter.
- 2) The balances included financial liabilities measured at amortized cost, which comprise notes payable, trade payables, trade payables - inter, other payables, and other payables - inter.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, trade receivables, trade payables, borrowings. The Group's Corporate Treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group sought to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward foreign exchange contracts and cross-currency swap contracts to hedge the exchange rate risk arising on the export.

There had been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group's had foreign currency sales and purchases, which exposed the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing forward foreign exchange contracts and interest rate swaps.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period (Refer to Note 33).

The Group required all its group entities to use foreign exchange forward contracts and cross-currency swap contracts to eliminate currency exposure. It is the Group's policy to negotiate the terms of the hedge derivatives to match the terms of the hedged item to maximize hedge effectiveness.

Sensitivity analysis

The Group was mainly affected by the U.S. dollar.

The following table details the Group's sensitivity to a 5% increase and decrease in New Taiwan dollars (the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items. A positive number below indicates an increase in pre-tax profit and other equity associated with New Taiwan dollars strengthen 5% against the relevant currency. For a 5% weakening of New Taiwan dollars against the relevant currency, there would be an equal and opposite impact on pre-tax profit and other equity and the balances below would be negative.

	Currency USD Impact	
	For the Six Months Ended	
	June 30	
	2017	2016
Profit or loss	<u>\$ (491,796)</u>	<u>\$ (70,782)</u>

b) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	June 30, 2017	December 31, 2016	June 30, 2016
Fair value interest rate risk			
Financial assets (i)	\$ 26,837,770	\$ 34,655,930	\$ 21,941,028
Financial liabilities (ii)	15,476,299	11,715,606	12,895,081
Cash flow interest rate risk			
Financial assets (iii)	36,116,894	30,644,835	40,930,566
Financial liabilities (iv)	16,267,517	22,606,048	24,586,902

- i. The balances included time deposit and debt investments with no active market.
- ii. The balances included financial liabilities exposed to fair value risk from interest rate fluctuation.
- iii. The balances included demand deposits.
- iv. The balances included financial liabilities exposed to cash flow risk from interest rate fluctuation.

Sensitivity analysis

The sensitivity analyses below were determined based on the Group's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole reporting period.

If interest rates had been 25 basis points higher and all other variables were held constant, the Group's pre-tax profit for the six months ended June 30, 2017 and 2016 would increase by \$24,812 thousand and increase \$20,430 thousand.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade these investments.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 10% higher, the pre-tax other comprehensive income for the six months ended June 30, 2017 and 2016 would increase by \$39,853 thousand and \$33,666 thousand as a result of the changes in fair value of available-for-sale financial assets.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is exposed to credit risk from trade receivables, deposits, and other financial instruments. Credit risk on business-related exposures is managed separately from that on financial-related exposures.

a) Business related credit risk

To maintain the quality of receivables, the Group has established operating procedures to manage credit risk.

For individual customers, risk factors considered include the customer's financial position, credit rating agency rating, the Group's internal credit rating, and transaction history as well as current economic conditions that may affect the customer's ability to pay. The Group also has the right to use some credit protection enhancement tools, such as requiring advance payments, to reduce the credit risks involving certain customers.

b) Financial related credit risk

Bank deposits and other financial instruments are credit risk sources required by the Group's Department of Finance Department to be measured and monitored. However, since the Group's counter-parties are all reputable financial institutions and government agencies, there is no significant financial credit risk.

3) Liquidity risk

The objective of liquidity risk management, the department is required to maintain operating cash and cash equivalents, in order to ensure that the Group has sufficient financial flexibility.

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities based on contractual undiscounted payments.

June 30, 2017

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 84,424,628	\$ 87,036	\$ -	\$ 2,150
Finance lease liabilities	3.49-4.75	1,581	2,648	-	-
Variable interest rate liabilities	1.48-2.04	9,067,517	7,200,000	-	-
Fixed interest rate liabilities	0.7-4.4	15,468,136	3,934	-	-
		<u>\$ 108,961,862</u>	<u>\$ 7,293,618</u>	<u>\$ -</u>	<u>\$ 2,150</u>

December 31, 2016

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 87,712,702	\$ 87,815	\$ -	\$ 814
Finance lease liabilities	3.49-4.75	1,657	3,646	-	-
Variable interest rate liabilities	1.11-1.9873	10,582,048	12,024,000	-	-
Fixed interest rate liabilities	1.3-8.55	11,695,133	15,170	-	-
		<u>\$ 109,991,540</u>	<u>\$ 12,130,631</u>	<u>\$ -</u>	<u>\$ 814</u>

June 30, 2016

	Weighted Average Effective Interest Rate (%)	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
<u>Non-derivative financial liabilities</u>					
Non-interest bearing	-	\$ 78,798,879	\$ 85,131	\$ -	\$ 954
Finance lease liabilities	3.49-7.11	47,579	4,487	-	-
Variable interest rate liabilities	1.027-2.5	10,790,902	13,796,000	-	-
Fixed interest rate liabilities	0.77-4.4	12,811,884	31,131	-	-
		<u>\$ 102,449,244</u>	<u>\$ 13,916,749</u>	<u>\$ -</u>	<u>\$ 954</u>

The table below summarizes the maturity profile of the Group's derivative financial instruments based on contractual undiscounted payments.

June 30, 2017

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 19,121,559	\$ -	\$ -	\$ -
Outflows	<u>(19,019,205)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>102,354</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swap contracts				
Inflows	6,189,990	-	-	-
Outflows	<u>(6,117,475)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>72,515</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 174,869</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

December 31, 2016

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 13,782,409	\$ -	\$ -	\$ -
Outflows	<u>(13,803,962)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(21,553)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swap contracts				
Inflows	5,370,000	-	-	-
Outflows	<u>(5,304,775)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>65,225</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 43,672</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

June 30, 2016

	On Demand or Less than 1 Year	1-3 Years	Over 3 Years to 5 Years	5+ Years
Forward exchange contracts				
Inflows	\$ 9,769,086	\$ -	\$ -	\$ -
Outflows	<u>(9,801,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>(32,433)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Currency swap contracts				
Inflows	3,235,000	-	-	-
Outflows	<u>(3,212,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>22,100</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ (10,333)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

30. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Parent Company and its subsidiaries, which were related parties of the Parent Company, had been eliminated on consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related parties and relationships

<u>Related Parties</u>	<u>Relationships with the Group</u>
Lite-On Semiconductor Corp.	Associate
Lite-Space Technology Company Limited	Associate
Yamada-Lom Fabricacao De Artefatos De Material Plastico Ltda. ("Yamada-Lom Ltda")	Associate
Logah Technology Corp.	Associate
DragonJet Corporation	Associate
Silport Travel Corp.	Related party in substance
Chi Mei Mold Co.	Related party in substance
Silport Technology Corp.	Related party in substance
Diodes Incorporated	Related party in substance
Auden Techno Corp.	Related party in substance
Lite-On Cultural Foundation	Related party in substance
Dongguan Huaqiang Information Technology Co., Ltd.	Related party in substance
Look Tec Co., Ltd.	Related party in substance

b. Sales of goods

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Related parties categories</u>				
Associates				
Lite-On Semiconductor Corp.	<u>\$ 56,883</u>	<u>\$ 59,090</u>	<u>\$ 101,027</u>	<u>\$ 97,228</u>
Related party in substance				
Others	<u>119</u>	<u>253</u>	<u>332</u>	<u>503</u>
	<u>\$ 57,002</u>	<u>\$ 59,343</u>	<u>\$ 101,359</u>	<u>\$ 97,731</u>

For the six months ended June 30, 2017 and 2016, the Group's selling prices for Lite-On Semiconductor Corp. for the Group were at cost plus a negotiated profit. Except for this sales arrangement with Lite-On Semiconductor Corp., the sales terms between the Group and its related parties were the same as the sales terms with non-related parties.

Operating lease contracts with related parties were based on market prices and made under mutual agreements and normal terms; the market prices and contract terms between the Group and its related parties were normal.

c. Purchases of goods

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
<u>Related parties categories</u>				
Associates				
Lite-Space Technology Company Limited	\$ 1,125,091	\$ 1,010,924	\$ 2,171,629	\$ 1,751,909
Lite-On Semiconductor Corp.	<u>314,652</u>	<u>262,016</u>	<u>536,723</u>	<u>499,813</u>
	<u>1,439,743</u>	<u>1,272,940</u>	<u>2,708,352</u>	<u>2,251,722</u>
Related party in substance				
Others	<u>168,696</u>	<u>150,760</u>	<u>307,848</u>	<u>257,771</u>
	<u>\$ 1,608,439</u>	<u>\$ 1,423,700</u>	<u>\$ 3,016,200</u>	<u>\$ 2,509,493</u>

The cost of the Group's purchases from Lite-On Semiconductor Corp. for the six months ended June 30, 2017 and 2016 was based on cost plus negotiated profit. Except for these purchases, the purchase terms between the Group and its related parties were normal.

d. Receivables from related parties

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Related parties categories</u>			
Trade receivables			
Associates			
Lite-On Semiconductor Corp.	\$ 85,883	\$ 54,695	\$ 70,169
Others	<u>3,452</u>	<u>4,163</u>	<u>4,548</u>
	<u>89,335</u>	<u>58,858</u>	<u>74,717</u>
Related party in substance			
Others	<u>28</u>	<u>1,320</u>	<u>3,988</u>
	<u>\$ 89,363</u>	<u>\$ 60,178</u>	<u>\$ 78,705</u>
Other receivables			
Associates			
Lite-On Semiconductor Corp.	\$ 78,382	\$ 772	\$ 78,431
DragonJet Corporation	19,328	-	13,535
Yamada-Lom Ltda	-	4,203	4,448
Others	<u>339</u>	<u>737</u>	<u>712</u>
	<u>98,049</u>	<u>5,712</u>	<u>97,126</u>
Related party in substance			
Others	<u>8,194</u>	<u>128</u>	<u>8,381</u>
	<u>\$ 106,243</u>	<u>\$ 5,840</u>	<u>\$ 105,507</u>

The outstanding trade receivables from related parties are unsecured. On June 30, 2017 and 2016, no allowance for doubtful accounts was recognized for trade receivables from related parties.

e. Payables to related parties

	June 30, 2017	December 31, 2016	June 30, 2016
<u>Related parties categories</u>			
Trade payables			
Associates			
Lite-Space Technology Company Limited	\$ 374,660	\$ 436,955	\$ 337,814
Lite-On Semiconductor Corp.	<u>323,099</u>	<u>337,927</u>	<u>268,830</u>
	<u>697,759</u>	<u>774,882</u>	<u>606,644</u>
Other related parties			
Diodes Incorporated	189,672	217,442	170,915
Others	<u>11,061</u>	<u>11,755</u>	<u>18,121</u>
	<u>200,733</u>	<u>229,197</u>	<u>189,036</u>
	<u>\$ 898,492</u>	<u>\$ 1,004,079</u>	<u>\$ 795,680</u>
Other payables			
Associates			
Others	\$ <u>128</u>	\$ <u>133</u>	\$ <u>320</u>
Other related parties			
Chi Mei Mold Co.	9,387	4,132	4,870
Silport Travel Corp.	4,858	4,922	6,037
Others	<u>71</u>	<u>241</u>	<u>102</u>
	<u>14,316</u>	<u>9,295</u>	<u>11,009</u>
	<u>\$ 14,444</u>	<u>\$ 9,428</u>	<u>\$ 11,329</u>

The outstanding trade payables from related parties are unsecured.

f. Operating expenses

	<u>For the Three Months Ended June 30</u>		<u>For the Six Months Ended June 30</u>	
	2017	2016	2017	2016
<u>Related parties categories</u>				
Associates				
Lite-On Semiconductor Corp.	\$ <u>6,158</u>	\$ <u>-</u>	\$ <u>8,161</u>	\$ <u>2</u>
Other related parties				
Look Tec Co., Ltd.	8,772	-	8,772	-
Silport Travel Corp.	20,802	14,299	37,273	27,349
Others	<u>283</u>	<u>1,858</u>	<u>1,202</u>	<u>3,044</u>
	<u>29,857</u>	<u>16,157</u>	<u>47,247</u>	<u>30,393</u>
	<u>\$ 36,015</u>	<u>\$ 16,157</u>	<u>\$ 55,408</u>	<u>\$ 30,395</u>

g. Other revenue

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
<u>Related parties categories</u>				
Associates				
Lite-On Semiconductor Corp.	\$ 1,903	\$ 2,003	\$ 2,666	\$ 2,774
Lite-Space Technology Company Limited	-	1,703	-	2,218
Others	<u>769</u>	<u>321</u>	<u>919</u>	<u>471</u>
	<u>2,672</u>	<u>4,027</u>	<u>3,585</u>	<u>5,463</u>
Other related parties				
Auden Techno Corp.	8,168	8,332	8,168	8,332
Others	<u>244</u>	<u>541</u>	<u>490</u>	<u>778</u>
	<u>8,412</u>	<u>8,873</u>	<u>8,658</u>	<u>9,110</u>
	<u>\$ 11,084</u>	<u>\$ 12,900</u>	<u>\$ 12,243</u>	<u>\$ 14,573</u>

h. Compensation of key management personnel

	For the Three Months Ended June 30		For the Six Months Ended June 30	
	2017	2016	2017	2016
Short-term employee benefits	\$ 41,866	\$ 58,293	\$ 141,353	\$ 157,805
Post-employment benefits	8,485	5,848	16,785	11,716
Termination benefits	<u>1,944</u>	<u>-</u>	<u>1,944</u>	<u>-</u>
	<u>\$ 52,295</u>	<u>\$ 64,141</u>	<u>\$ 160,082</u>	<u>\$ 169,521</u>

The remuneration of directors and key executives was determined by the remuneration committee having regard to the performance of individuals and market trends.

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

	June 30, 2017	December 31, 2016	June 30, 2016
Pledged time deposits and restricted bank deposits	<u>\$ 700,527</u>	<u>\$ 707,500</u>	<u>\$ 426,234</u>

Above assets included the guarantee deposits that had been provided for (a) government projects (b) the customs agency for shipment clearance in advance of duty payments (c) tax refund guarantee.

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

- a. In the second quarter of 2013, Dell Inc. and Dell Products L.P. filed a complaint with the United States District Court for Western District of Texas. All these complaints constituted an antitrust group lawsuit against the Parent Company and other companies with related businesses. In April 2017, the Parent Company reached a settlement with the plaintiff, and the contents of the settlement do not have a significant impact on the Group's operation.

- b. In the fourth quarter of 2013, Acer Inc., Acer America Corporation, Gateway Inc. and Gateway U.S. Retail, Inc. filed a complaint with the United States District Court for the Northern District of California. In the fourth quarter of 2013, Ingram Micro Inc., and Synnex Corporation filed a complaint with the United States District Court for the Central District of California. In the third quarter of 2015, Alfred H. Siegel, the bankruptcy trustee of Circuit City Stores, Inc. filed a complaint with the United States District Court for the Northern District of California. In the fourth quarter of 2015, Peter Kravitz, the bankruptcy trustee of RadioShack Corporation, filed a complaint with the United States District Court for the Northern District of California. All these complaints constituted an antitrust group lawsuit against the Parent Company and other companies with related businesses. The Parent Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the Parent Company already accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize losses quarterly at this reasonably estimated amount until the settlement of this lawsuit.
- c. From the second quarter of 2010 to the second quarter of 2014, petitioner Carlos Fogelman filed a motion for authorization to institute class action antitrust proceedings with the Superior Court of Quebec in the district of Montreal. The Fanshawe College of Applied Arts and Technology filed a statement of claim in Ontario court. Neil Godfrey filed a statement of claim with the Superior Court of British Columbia. Donald Woligroski filed a statement of claim in Manitoba court. Cindy Retallick filed a statement of claim in Saskatchewan court. All plaintiffs filed the antitrust group lawsuit against the Parent Company and its subsidiaries - Philips & Lite-On Digital Solutions Corporation, Philips & Lite-On Digital Solutions USA, Inc. and other companies with related businesses. The Parent Company assigned lawyers as its representative in these lawsuits. Although the outcome of the proceedings had not been determined, the Parent Company accrued a reasonable amount in case of a loss on this lawsuit and will continue to recognize the losses quarterly on the basis of a reasonable estimation of the lawsuit until the settlement of this lawsuit.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information was aggregated by the foreign currencies other than functional currencies of the group entities and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

June 30, 2017

	Foreign Currencies	Exchange Rate (Note)	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,458,840	30.3700 (USD:NTD)	\$ 44,304,959
USD	1,368,571	6.7677 (USD:CNY)	41,563,490
USD	75,733	7.8053 (USD:HKD)	2,300,007
USD	31,159	33.9200 (USD:THB)	946,286
EUR	15,114	1.1412 (EUR:USD)	523,823
USD	6,976	0.8763 (USD:EUR)	<u>211,875</u>
			<u>\$ 89,850,440</u>
			(Continued)

	Foreign Currencies	Exchange Rate (Note)	Carrying Amount
Non-monetary items			
Investments accounted for using equity method			
USD	\$ 2,650	30.3700 (USD:NTD)	<u>\$ 80,471</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,782,710	30.3700 (USD:NTD)	\$ 54,140,888
USD	1,327,152	6.7677 (USD:CNY)	40,305,600
USD	30,845	33.9200 (USD:THB)	936,756
USD	29,511	7.8053 (USD:HKD)	896,242
USD	11,366	0.8763 (USD:EUR)	<u>345,194</u>
			<u>\$ 96,624,680</u> (Concluded)

December 31, 2016

	Foreign Currencies	Exchange Rate (Note)	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,581,812	32.2000 (USD:NTD)	\$ 50,934,338
USD	1,364,261	6.9429 (USD:CNY)	43,929,207
USD	56,644	7.7551 (USD:HKD)	1,823,929
USD	26,143	35.8000 (USD:THB)	841,791
USD	13,769	0.9517 (USD:EUR)	443,376
EUR	11,342	1.0508 (EUR:USD)	<u>397,189</u>
			<u>\$ 98,369,830</u>
Non-monetary items			
Investments accounted for using equity method			
USD	1,883	32.2000 (USD:NTD)	<u>\$ 60,643</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,456,860	32.2000 (USD:NTD)	\$ 46,910,893
USD	1,284,163	6.9429 (USD:CNY)	41,350,062
USD	20,558	7.7551 (USD:HKD)	661,968
USD	27,898	35.8000 (USD:THB)	898,326
USD	19,244	0.9517 (USD:EUR)	<u>619,643</u>
			<u>\$ 90,440,892</u>

June 30, 2016

	Foreign Currencies	Exchange Rate (Note)	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 1,323,894	32.2250 (USD:NTD)	\$ 42,662,472
USD	1,120,346	6.6304 (USD:CNY)	36,103,149
USD	47,317	7.7582 (USD:HKD)	1,524,804
USD	26,490	35.1400 (USD:THB)	853,650
			<u>\$ 81,144,075</u>
Non-monetary items			
Investments accounted for using equity method			
USD	1,790	32.2250 (USD:NTD)	<u>\$ 57,679</u>
<u>Financial liabilities</u>			
Monetary items			
USD	1,367,824	32.2250 (USD:NTD)	\$ 44,078,123
USD	1,090,969	6.6304 (USD:CNY)	35,156,490
USD	19,709	7.7582 (USD:HKD)	635,120
USD	26,187	35.1400 (USD:THB)	843,886
USD	15,653	0.9000 (USD:EUR)	504,416
			<u>\$ 81,218,035</u>

For the three months ended June 30, 2017 and 2016, net foreign exchange gains were \$44,779 thousand and \$109,918 thousand, respectively, and for the six months ended June 30, 2017 and 2016, net foreign exchange gains were \$314,762 thousand and \$78,490 thousand, respectively. It is impractical to disclose net foreign exchange gains or losses by each significant foreign currency due to the variety of the foreign currency transactions of the group entities.

34. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and information on investees:

- 1) Financing provided: See Table 1 below.
- 2) Endorsement/guarantee provided: See Table 2 below.
- 3) Marketable securities held (excluding investment in subsidiaries, associates and jointly controlled entities): See Table 3 below.
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital: See Table 4 below.
- 5) Acquisition of individual real estate properties at costs of at least NT\$300 million or 20% of the paid-in capital: See Table 5 below.

- 6) Disposal of individual real estate properties at prices of at least NT\$300 million or 20% of the paid-in capital: None.
- 7) Total purchases from or sales to related parties of at amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 6 below.
- 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: See Table 7 below.
- 9) Trading in derivative instruments: See Notes 7 and 29 to the financial statements.
- 10) Information on investees: See Table 8 below.

b. Information on investments in mainland China:

- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: See Table 9 below.
- 2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: See Table 10 below.

c. Intercompany relationships and significant intercompany transactions: See Table 10 below.

35. SEGMENT INFORMATION

a. General information

The Group identified the reportable segments based on the managerial reporting information, and the segments by the types of products which included Optoelectronics, Information Technologies, Storage, and Mobile Mechanics and others. The types of products are described as follows:

- 1) Optoelectronics: LED Components and Lighting Products, Camera Modules and Automotive Electronics.
- 2) Information technologies: Products used in Server, Networking Devices, NB, Tablets, DT and Multifunction Peripheral.
- 3) Storage: Optical Disk Drives and Solid State Drives.
- 4) The Group also had Mobile Mechanics and Others operating segments that did not exceed the quantitative threshold. These segments mainly engage in manufacturing and selling of Mechanical Products for Mobile Devices and others.

b. Measurement of segment information

The Group uses the income before income tax from operations as the measurement for segment profit and the basis of performance assessment. There was no material differences between the accounting policies of the operating segment and the accounting policies described in Note 4.

c. Segment information

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

For the Six Months Ended June 30, 2017						
	Optoelectronics	IT	Storage	Mobile Mechanics and Others	Elimination	Total
Sales from external customers	\$ 27,747,923	\$ 54,162,914	\$ 15,922,263	\$ 6,579,498	\$ -	\$ 104,412,598
Sales among segments	657,886	522,405	3,716	205,967	(1,389,974)	-
Operating profit (loss)	1,184,284	3,104,581	1,580,278	(1,227,677)	-	4,641,466

For the Six Months Ended June 30, 2016						
	Optoelectronics	IT	Storage	Mobile Mechanics and Others	Elimination	Total
Sales from external customers	\$ 24,162,657	\$ 49,967,406	\$ 20,526,370	\$ 8,975,045	\$ -	\$ 103,631,478
Sales among segments	643,892	693,229	2,075	315,161	(1,654,357)	-
Operating profit (loss)	1,043,988	3,267,418	1,560,015	(1,061,885)	-	4,809,536

d. Reconciliation information for segment profit (loss)

- 1) The revenue from external parties reported to the chief operating decision-maker is used the same accounting policies in consistent with in the statement of comprehensive income.
- 2) A reconciliation of reportable segments profit (loss) and income before income tax is provided as follows:

For the Six Months Ended June 30		
	2017	2016
Reportable segments' profit	\$ 4,641,466	\$ 4,809,536
Unclassified loss	(368,106)	(392,161)
Non-operating income and expenses	<u>727,031</u>	<u>361,256</u>
Profit before income tax	<u>\$ 5,000,391</u>	<u>\$ 4,778,631</u>

- 3) Segment profit represented the profit before tax earned by each segment without unclassified headquarter administration costs, the share of profit of associates, interest income, other income, dividend income, net gain on disposal of investments, net gain on foreign currency exchange, valuation gain or loss on financial instruments, gain or loss on disposal of property, plant and equipment, finance costs, other expenses, impairment loss, and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts in Thousands of New Taiwan Dollars)

No.	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 1)	Transaction Amount	Reasons for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 2)	Financing Company's Total Financing Amount Limits (Note 2)	Note
													Item	Value			
1	Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronics (Dongguan) Co., Ltd.	Receivables from related parties	Yes	\$ 136,683	\$ -	\$ -	3.045%	b	\$ -	Operating capital	\$ -	None	\$ -	\$ 774,756	\$ 774,756	
2	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Receivables from related parties	Yes	45,561	44,875	44,875	3.045%	b	-	Operating capital	-	None	-	135,953	135,953	
3	Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Green Technologies (Nanjing) Corporation	Receivables from related parties	Yes	50,117	49,363	49,363	3.045%	b	-	Operating capital	-	None	-	600,912	600,912	
4	Huizhou Fu Tai Electronic Co., Ltd.	Lite-On Technology (Xiamen) Co., Ltd.	Receivables from related parties	Yes	36,449	35,900	35,900	3.045%	b	-	Operating capital	-	None	-	61,645	61,645	
5	Lite-On Technology (Changzhou) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	Receivables from related parties	Yes	182,244	179,500	179,500	3.045%	b	-	Operating capital	-	None	-	4,181,472	4,181,472	
6	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	1,685,757	1,646,913	1,646,913	3.045%	b	-	Operating capital	-	None	-	4,526,169	4,526,169	
7	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Receivables from related parties	Yes	364,488	359,000	359,000	3.045%	b	-	Operating capital	-	None	-	10,040,895	10,040,895	
8	Lite-On Electronics H.K. Ltd.	Lite-On Green Technologies (HK) Limited	Receivables from related parties	Yes	403	389	389	1.200%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
		Lite-On Green Energy (HK) Limited	Receivables from related parties	Yes	807	778	778	1.200%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
		LET (HK) Ltd.	Receivables from related parties	Yes	250,360	242,960	242,960	1.160%	b	-	Operating capital	-	None	-	8,087,626	8,087,626	
9	Lite-On Singapore Pte. Ltd.	Lite-On Mobile Pte. Ltd.	Receivables from related parties	Yes	1,251,800	1,214,800	1,214,800	0.860%	b	-	Operating capital	-	None	-	18,760,617	18,760,617	
10	LTC Group Ltd.	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Receivables from related parties	Yes	93,885	91,110	91,110	2.130%	b	-	Operating capital	-	None	-	628,871	628,871	
11	Lite-On Technology (Shanghai) Ltd.	Lite-On Intelligent Technology (Yancheng) Corporation	Receivables from related parties	Yes	44,875	44,875	44,875	3.045%	b	-	Operating capital	-	None	-	2,371,994	2,371,994	
12	Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Electronics (Dongguan) Co., Ltd.	Receivables from related parties	Yes	224,375	224,375	-	-	b	-	Operating capital	-	None	-	11,749,515	11,749,515	

Note 1: Reasons for financing are as follows:

- a. Business relationship.
- b. The need for short-term financing.

Note 2: Financing limit for each borrower and aggregate financing limits are calculated based on the Company's policy.

Note 3: The net worth value is based on the most current reviewed financial statements.

Note 4: All intercompany financing loans have been eliminated from consolidation.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ENDORSEMENT/GUARANTEE PROVIDED
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts in Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party (Note 2)	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity Per Latest Financial Statements (%)	Maximum Endorsement/ Guarantee Amount Allowable (Note 2)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries In Mainland China	Note
		Name	Nature of Relationship (Note 1)											
0	Lite-On Technology Corporation (the "Parent Company")	Lite-On Mobile Pte. Ltd. Siltek Elec. (Dongguan) Co., Ltd. Lite-On Technology (Europe) B.V.	b c b	\$ 7,086,508 7,086,508 7,086,508	\$ 6,259,000 1,251,800 65,851	\$ - 1,214,800 65,851	\$ - 1,214,800 65,851	- - -	- 1.71 0.09	\$ 28,346,034 28,346,034 28,346,034	Yes Yes Yes	No No No	No Yes No	
1	Lite-On Capital Corp.	Lite-On Green Energy B.V. Lite-On Green Technologies B.V.	c c	2,248,152 2,248,152	325,764 813,012	325,764 813,012	325,764 813,012	- -	0.46 1.15	2,248,152 2,248,152	No No	No No	No No	

Note 1: Relationship between endorser/guarantor and endorsee/guarantee are as follows:

- Business relationship.
- A subsidiary in which the Company holds directly over 50% of equity interest.
- An investee in which the Company and its subsidiaries hold over 50% of equity interest.

Note 2:

- The aggregate amount of guarantees/endorsements by Lite-On Technology Corporation should not exceed 40% of its net worth, and the amount of guarantees/endorsements for any single entity should not exceed 10% of its net worth.
- The endorsement/guarantee limit for each entity and the total endorsement/guarantee limit are calculated on the basis of Lite-On Capital Corp.'s endorsement/guarantee procedures.
- Limits on endorsement/guarantee amount provided to each guaranteed party and maximum endorsement/guarantee amount allowable were calculated on the basis of the net worth of the endorsement/guarantee provider, as shown in its most recent reviewed financial statements.

TABLE 3

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2017				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Lite-On Technology Corporation	Ordinary shares							
	EPiSTAR Corporation	-	Available-for-sale financial assets - non-current	5,908	\$ 165,718	0.55	\$ 165,718	
	Wistron Corporation	-	Available-for-sale financial assets - non-current	5,130	158,775	0.20	158,775	
	Com2B Corp.	-	Available-for-sale financial assets - non-current	5,000	9,009	11.11	9,009	
	Avamax Corp.	-	Available-for-sale financial assets - non-current	559	-	6.99	-	Note
	Aetas Technology, Inc.	Member of the board of directors	Available-for-sale financial assets - non-current	4,026	-	8.07	-	Note
	Auria Solar Co., Ltd.	-	Available-for-sale financial assets - non-current	41,400	-	19.71	-	Note
	Z-Com, Inc.	-	Available-for-sale financial assets - non-current	2,974	34,947	4.10	34,947	
	Fong Han Electronics Co., Ltd.	-	Available-for-sale financial assets - non-current	1,167	-	6.67	-	Note
	Xepex Electronics Co., Ltd.	-	Available-for-sale financial assets - non-current	-	-	-	-	Note
	North America Micro-Electronic & Software, Incorporated	-	Available-for-sale financial assets - non-current	5	1,154	2.67	1,154	
	Action Media Technologies, Inc.	-	Available-for-sale financial assets - non-current	38	-	-	-	Note
	Oplink Communications, Inc.	-	Available-for-sale financial assets - non-current	1	858	0.01	858	
	Taiwan Changxing Technology Co., Ltd.	-	Available-for-sale financial assets - non-current	462	4,620	15.40	4,620	
	Preference shares							
	Arkologic Holdings Limited	-	Available-for-sale financial assets - non-current	11,111	-	7.66	-	Note
	PI-CORAL	-	Available-for-sale financial assets - non-current	1,139	-	10.65	-	Note
Lite-On Green Energy (HK) Limited	Convertible bond							
	Xepex Electronics Co., Ltd.	-	Debt investments with no active market - non-current	150	-	-	-	Note
	Lite-On Technology Corporation	The Parent Company	Available-for-sale financial assets - non-current	15,116	755,793	0.64	755,793	
	Lead Data, Inc.	-	Available-for-sale financial assets - non-current	865	6,778	0.59	6,778	
	Compound Solar Technology Co., Ltd.	-	Available-for-sale financial assets - non-current	2,000	-	2.86	-	Note
	Z-Com, Inc.	-	Available-for-sale financial assets - non-current	2,412	28,336	3.33	28,336	
	Auden Techno Corp.	Member of the board of directors	Available-for-sale financial assets - non-current	8,124	178,716	19.90	178,716	
Lite-On Electronics Co., Ltd.	Ordinary shares							
	Changzhou Binhu Thin Film Solar Greenhouse Co., Ltd.	-	Available-for-sale financial assets - non-current	-	US\$ 140	19.90	US\$ 140	
Lite-On Electronics Co., Ltd.	Share certificates							
	Lite-On Technology Corporation GDR	The Parent Company	Available-for-sale financial assets - non-current	245	124,940	0.10	124,940	

(Continued)

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	June 30, 2017				Note
				Shares/Units (In Thousands)	Carrying Value (Foreign Currencies in Thousands)	Percentage of Ownership (%)	Fair Value (Foreign Currencies in Thousands)	
Yet Foundate Ltd.	Share certificates Lite-On Technology Corporation GDR	The Parent Company	Available-for-sale financial assets - non-current	227	\$ 115,796	0.10	\$ 115,796	
LET (HK) Ltd.	Ordinary shares Northern Lights Semiconductor Fund Innovation Works Development Fund, L.P.	-	Available-for-sale financial assets - non-current	3,000	-	5.91	-	Note
Lite-On Technology USA, Inc.	Preference shares Mojo NetWorks, Inc.	-	Available-for-sale financial assets - non-current	-	HK\$ 6,841	-	HK\$ 6,841	
LTC Group Ltd.	Ordinary shares VIZIO, Inc.	-	Available-for-sale financial assets - non-current	7,486	US\$ 2,000	2.93	US\$ 2,000	
LTC International Ltd.	Ordinary shares Lite-On Technology Corporation	-	Available-for-sale financial assets - non-current	437	-	2.90	-	Note
Lite-On China Holding Co., Ltd.	Share certificates Lite-On Technology Corporation GDR	The Parent Company	Available-for-sale financial assets - non-current	3,793	189,655	0.16	189,655	
Silitech Technology Corp.	Ordinary shares COMMIT Incorporated	The Parent Company	Available-for-sale financial assets - non-current	321	163,729	0.14	163,729	
Silitech (Bermuda) Holding Ltd.	Ordinary shares Chi Mei Mold Co., Ltd. RTR-TECH Technology Co., Ltd.	-	Available-for-sale financial assets - non-current	4,962	-	1.87	-	Note
Lite-On Japan Ltd.	Fund Innovation Works Development Fund, L.P.	Member of the board of directors	Available-for-sale financial assets - non-current	1,300 6,820	11,165 -	10.00 9.46	11,165 -	Note
Lite-On Mobile Oyj (formerly: Perfos Oyj)	Ordinary shares Tamara Corporation The Dai-ichi Life Insurance Company, Limited Kontiolahhti Golf Oy	-	Available-for-sale financial assets - non-current	-	US\$ 916	-	US\$ 916	
		-	Available-for-sale financial assets - non-current	19,250 7	JPY 10,068 JPY 1,419	0.03 -	JPY 10,068 JPY 1,419	
		-	Available-for-sale financial assets - non-current	1	EUR 9	-	EUR 9	

Note: The carrying value of financial instruments were all assessed for impairment.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Company Name	Marketable Securities Type and Name	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal		Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount	Shares/Units (In Thousands)	Amount
Lite-On Technology Corporation	Lite-On Mobile Pte. Ltd.	Investments accounted for using equity method	-	-	162,886	\$ 8,005,173	315,360	\$ 7,081,865 (Note 1)	-	\$ -	478,246	\$ 14,607,309
Silitech Technology Corp.	Yuantia De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	-	-	-	-	21,658	350,000	350,197	350,000	-	-
Silitech Technology (SuZhou) Co., Ltd.	Fixed Income Instruments	Debt investments with no active market - current	-	-	-	779,642 (CNY 167,300)	-	1,493,593 (CNY 352,700)	1,540,591 (CNY 336,843)	1,527,830 (CNY 334,000)	-	745,225 (CNY 166,000)

Note 1: The acquisition amount of \$6,907,500 thousand is from the capital increased by cash, and the \$174,365 thousand is from the exchange differences on translating foreign operations; the disposal amount of \$478,993 thousand is from the loss accounted for by using the equity method, and the \$736 thousand is from changes in equity accounting for by using the equity method.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Buyer	Property	Event Date	Transaction Amount (Note)	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty is a Related Party	Pricing Reference	Purpose of Acquisition	Other Terms
Lite-On Technology Corporation	Plant	June 22, 2017	Total amount in contracts of no more than \$2,035,000	Monthly settlement by the construction progress and acceptance	Fu Tsu Construction Co., Ltd.	-	Property Owner N/A Relationship N/A Transaction Date N/A Amount N/A	Bidding, pricing comparison and price negotiation	Established operation center in Kaohsiung	None

Note: Final amount is based on actual settlement amount.

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE SIX MONTHS ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction			Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp.	Note 1	Sale	\$ (9,566,849)	(15)	About 90 days	Cost-plus pricing	No significant difference	\$ 6,550,145	18	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Sale	(483,719)	(1)	About 90 days	Cost-plus pricing	No significant difference	336,785	1	
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	Sale	(204,317)	(2)	About 90 days	Cost-plus pricing	No significant difference	171,592	-	
	Lite-On Singapore Pte. Ltd.	Note 1	Sale	(1,531,347)	(2)	About 90 days	Cost-plus pricing	No significant difference	281,574	1	
	Lite-On Japan Ltd.	Note 1	Sale	(229,776)	-	About 90 days	Cost-plus pricing	No significant difference	156,466	-	
	Lite-On Trading USA, Inc.	Note 2	Sale	(2,401,748)	(4)	About 90 days	Cost-plus pricing	No significant difference	1,586,413	4	
	Lite-On Sales & Distribution Inc.	Note 2	Sale	(148,227)	-	About 90 days	Cost-plus pricing	No significant difference	99,127	-	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	Purchase	655,180	1	About 90 days	Cost-plus pricing	No significant difference	(451,566)	(1)	
	Lite-On Singapore Pte. Ltd.	Note 1	Purchase	10,069,123	17	About 90 days	Cost-plus pricing	No significant difference	(7,112,179)	(20)	
	Li Shin International Enterprise Corp.	Note 1	Purchase	1,274,076	2	About 90 days	Cost-plus pricing	No significant difference	(374,086)	(1)	
	Lite-On Overseas Trading Co., Ltd.	Note 1	Purchase	39,333,999	67	About 90 days	Cost-plus pricing	No significant difference	(21,971,471)	(61)	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Note 2	Purchase	165,631	-	About 90 days	Cost-plus pricing	No significant difference	(119,649)	-	
	Philips & Lite-On Digital Solutions USA Inc.	Note 4	Sale	(4,030,064)	(40)	About 90 days	Cost-plus pricing	No significant difference	2,556,730	47	
	Philips & Lite-On Digital Solutions Germany GmbH	Note 4	Sale	(546,112)	(5)	About 90 days	Cost-plus pricing	No significant difference	300,610	5	
Lite-On Electronics (Tianjin) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(800,072)	(100)	About 90 days	Cost-plus pricing	No significant difference	281,958	100	
Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(6,398,935)	(98)	About 90 days	Cost-plus pricing	No significant difference	1,030,928	90	
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(1,703,702)	(100)	About 90 days	Cost-plus pricing	No significant difference	856,737	100	
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(268,300)	(100)	About 90 days	Cost-plus pricing	No significant difference	140,978	100	
Lite-On Computer (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(156,592)	(93)	About 90 days	Cost-plus pricing	No significant difference	123,687	92	
Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(5,089,860)	(55)	About 90 days	Cost-plus pricing	No significant difference	1,284,571	35	
Lite-On Technology (Yingtan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(3,517,318)	(38)	About 90 days	Cost-plus pricing	No significant difference	1,875,271	52	
Lite-On Technology (Xianning) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(149,844)	(100)	About 90 days	Cost-plus pricing	No significant difference	46,890	100	
Lite-On Technology (Shanghai) Ltd.	Li Shin International Enterprise Corp.	Note 3	Sale	(340,384)	(100)	About 90 days	Cost-plus pricing	No significant difference	126,267	100	
Lite-On Electronics (Dongguan) Co., Ltd.	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Note 4	Sale	(274,340)	(8)	About 90 days	Cost-plus pricing	No significant difference	54,350	3	
Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(6,383,038)	(100)	About 90 days	Cost-plus pricing	No significant difference	1,311,576	100	
Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(3,756,089)	(94)	About 90 days	Cost-plus pricing	No significant difference	2,228,619	94	
Lite-On Electronics H.K. Ltd.	Lite-On Electronics Co., Ltd.	Note 4	Sale	(887,973)	(100)	About 90 days	Cost-plus pricing	No significant difference	160,406	100	
Lite-On Electronics Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(151,818)	(13)	About 90 days	Cost-plus pricing	No significant difference	111,317	21	
Dong Guan G-Tech Computers Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(887,973)	(100)	About 90 days	Cost-plus pricing	No significant difference	-	-	
Huizhou Li Shin Electronic Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(1,374,170)	(96)	About 90 days	Cost-plus pricing	No significant difference	275,679	84	
	Li Shin International Enterprise Corp.	Note 3	Sale	(512,844)	(72)	About 90 days	Cost-plus pricing	No significant difference	149,727	67	

(Continued)

Company Name	Related Party	Nature of Relationship	Transaction Details			Abnormal Transaction			Notes/Accounts (Payable) or Receivable		Note
			Purchase/Sale	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	\$ (4,922,024)	(100)	About 90 days	Cost-plus pricing	No significant difference	\$ -	-	
Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(196,807)	(1)	About 90 days	Cost-plus pricing	No significant difference	148,297	1	
	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(15,409,185)	(55)	About 90 days	Cost-plus pricing	No significant difference	6,507,506	46	
Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 4	Sale	(1,015,412)	(100)	About 90 days	Cost-plus pricing	No significant difference	321,626	99	
Lite-On Auto Electric Technology (Guangzhou) Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(272,637)	(99)	About 90 days	Cost-plus pricing	No significant difference	54,836	97	
Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	Sale	(7,455,439)	(100)	About 90 days	Cost-plus pricing	No significant difference	2,807,111	100	
Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(1,773,406)	(97)	About 90 days	Cost-plus pricing	No significant difference	928,328	96	
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(1,682,381)	(5)	About 90 days	Cost-plus pricing	No significant difference	1,085,801	6	
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	Sale	(713,849)	(2)	About 90 days	Cost-plus pricing	No significant difference	517,727	3	
	Lite-On Electronics H.K. Ltd.	Note 3	Sale	(1,135,686)	(4)	About 90 days	Cost-plus pricing	No significant difference	618,334	3	
	Lite-On Japan Ltd.	Note 3	Sale	(636,531)	(2)	About 90 days	Cost-plus pricing	No significant difference	461,545	2	
	Lite-On Inc.	Note 4	Sale	(366,316)	(1)	About 90 days	Cost-plus pricing	No significant difference	159,173	1	
	Lite-On Trading USA, Inc.	Note 4	Sale	(2,428,600)	(8)	About 90 days	Cost-plus pricing	No significant difference	1,749,314	9	
	Leotek Electronics USA LLC	Note 4	Sale	(594,304)	(2)	About 90 days	Cost-plus pricing	No significant difference	377,214	2	
	Lite-On Sales & Distribution Inc.	Note 4	Sale	(108,962)	-	About 90 days	Cost-plus pricing	No significant difference	68,614	-	
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	Sale	(4,944,788)	(5)	About 90 days	Cost-plus pricing	No significant difference	1,569,800	3	
	Lite-On Li Shin Technology (Ganzhou) Ltd.	Note 4	Sale	(109,447)	(6)	About 90 days	Cost-plus pricing	No significant difference	44,735	-	
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	Sale	(5,675,005)	(6)	About 90 days	Cost-plus pricing	No significant difference	4,098,785	8	
	Lite-On Technology (Xiaming) Co., Ltd.	Note 4	Sale	(116,564)	(4)	About 90 days	Cost-plus pricing	No significant difference	44,912	-	
	Lite-On Electronics (Dongguan) Co., Ltd.	Note 4	Sale	(4,428,200)	(4)	About 90 days	Cost-plus pricing	No significant difference	946,946	2	
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	Sale	(2,743,396)	(3)	About 90 days	Cost-plus pricing	No significant difference	908,762	2	
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	Sale	(771,630)	(1)	About 90 days	Cost-plus pricing	No significant difference	610,462	1	
	i-Solutions Limited	Note 4	Sale	(116,860)	-	About 90 days	Cost-plus pricing	No significant difference	64,199	-	
	Huizhou Li Shin Electronic Co., Ltd.	Note 4	Sale	(282,147)	-	About 90 days	Cost-plus pricing	No significant difference	129,945	-	
	DongGuan G-Pro Computer Co., Ltd.	Note 4	Sale	(4,218,521)	(4)	About 90 days	Cost-plus pricing	No significant difference	653,425	1	
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	Sale	(21,758,883)	(21)	About 90 days	Cost-plus pricing	No significant difference	11,823,429	23	
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Note 4	Sale	(573,095)	(1)	About 90 days	Cost-plus pricing	No significant difference	351,488	1	
	Lite-On IT Opto Tech (BH) Co., Ltd.	Note 4	Sale	(7,243,439)	(7)	About 90 days	Cost-plus pricing	No significant difference	5,179,481	10	
	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(10,737,201)	(10)	About 90 days	Cost-plus pricing	No significant difference	3,213,315	6	
	Lite-On Semiconductor Corp.	Note 5	Purchase	224,121	-	About 90 days	Cost-plus pricing	No significant difference	(135,150)	-	
	Diodes Taiwan Inc.	Note 6	Purchase	148,153	-	About 90 days	Cost-plus pricing	No significant difference	(89,245)	-	
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(262,801)	(64)	About 90 days	Cost-plus pricing	No significant difference	204,493	60	
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	Sale	(771,028)	(36)	About 90 days	Cost-plus pricing	No significant difference	714,165	45	
	Lite-On Singapore Pte. Ltd.	Note 3	Sale	(792,347)	(37)	About 90 days	Cost-plus pricing	No significant difference	357,852	23	
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	(495,068)	(49)	About 90 days	Cost-plus pricing	No significant difference	325,774	50	
Zhuohai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	Sale	(313,987)	(58)	About 90 days	Cost-plus pricing	No significant difference	221,489	58	
Lite-On Japan Ltd.	Lite-On Semiconductor Corp.	Note 5	Purchase	JPY 920,236	16	About 90 days	Cost-plus pricing	No significant difference	JPY (400,674)	(14)	
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	Sale	US\$ (9,071) JPY (9,006)	95	90 days	No significant difference	90-120 days	US\$ 6,515 JPY 6,201	96	
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	Sale	US\$ (9,542) JPY (9,006)	60	90 days	No significant difference	90-120 days	US\$ 6,846 JPY 6,201	75	

(Continued)

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

Note 3: The Company's equity-method investee.

Note 4: Investee of the Company's equity-method investee.

Note 5: Associate.

Note 6: The intercompany transactions have been eliminated from consolidation.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL
JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable-inter	Ending Balance of Trade Receivables-inter	Ending Balance of Other Receivables-inter	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp.	Note 1	\$ -	\$ 6,550,145	\$ 29,934	3.05	\$ -	-	\$ -	-
	Lite-On Technology (Changzhou) Co., Ltd.	Note 2	-	336,785	3,152	2.57	-	-	-	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 2	-	171,592	-	1.14	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 1	-	281,574	58,735	4.42	-	-	-	-
	Lite-On Japan Ltd.	Note 1	-	156,466	30,750	2.90	1,057	-	2,445	-
	Lite-On Trading USA, Inc.	Note 2	-	1,586,413	1,970	3.15	-	-	-	-
Philip & Lite-On Digital Solutions Corp.	Lite-On Overseas Trading Co., Ltd.	Note 1	-	2,593,742	64,970	-	-	-	393,600	-
	Philips & Lite-On Digital Solutions USA Inc.	Note 4	-	2,556,730	-	3.76	-	-	776,876	-
	Philips & Lite-On Digital Solutions Germany GmbH	Note 4	-	300,610	-	3.17	-	-	83,587	-
Lite-On Electronics (Tianjin) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	281,958	-	5.90	-	-	144,396	-
Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,030,928	-	12.07	-	-	6,604	-
Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	856,737	2,374	4.66	-	-	-	-
Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	-	140,978	-	4.34	-	-	-	-
Lite-On Computer (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	123,687	-	3.38	-	-	-	-
Lite-On Technology (Changzhou) Co., Ltd.	Changzhou Leotek New Energy Trade Limited	Note 4	-	-	182,841	-	-	-	-	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	1,284,571	-	6.68	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,875,271	-	4.14	-	-	-	-
Lite-On Technology (Xianning) Co., Ltd.	Li Shin International Enterprise Corp.	Note 3	-	126,267	-	5.50	-	-	-	-
Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	1,311,576	-	10.51	-	-	-	-
Silitech Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	2,228,619	6,282	3.88	-	-	-	-
Lite-On Power Technology (Dongguan) Co., Ltd.	Lite-On Electronics Co., Ltd.	Note 4	-	160,406	-	22.14	-	-	158,663	-
Lite-On Electronics H.K. Ltd.	LET (HK) Ltd.	Note 3	-	-	242,957	-	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	111,317	-	2.71	-	-	8,479	-
Lite-On Electronics Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	-	161,863	-	-	-	160,011	-
Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	275,679	-	8.04	-	-	275,679	-
Huizhou Li Shin Electronic Co., Ltd.	Li-Shin International Enterprise Corp.	Note 3	-	149,727	-	11.71	-	-	18	-

(Continued)

Company Name	Related Party	Nature of Relationship	Ending Balance of Notes Receivable-inter	Ending Balance of Trade Receivables-inter	Ending Balance of Other Receivables-inter	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Bad Debts
							Amount	Action Taken		
Lite-On Electronic (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	\$ -	\$ 148,297	\$ -	3.30	\$ -	-	\$ 35,616	\$ -
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	6,507,506	-	4.55	-	-	-	-
Lite-On Opto Technology (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	321,626	-	4.79	-	-	-	-
Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	Note 3	-	2,807,111	-	4.52	-	-	-	-
Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	Note 3	-	928,328	17,914	4.04	-	-	297,806	-
Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	1,085,801	-	2.99	-	-	229,703	-
	China Bridge Express (Wuxi) Co., Ltd.	Note 4	-	517,727	-	2.85	-	-	82,493	-
	Lite-On Electronics H.K. Ltd.	Note 3	-	618,334	83	4.05	-	-	1,036	-
	Lite-On Japan Ltd.	Note 3	-	461,545	876	2.78	-	-	113,468	-
	Lite-On, Inc.	Note 4	-	159,173	653	4.23	-	-	26,619	-
	Lite-On Trading USA, Inc.	Note 4	-	1,749,314	4,796	2.61	490	-	560,064	-
	Leotek Electronics USA LLC	Note 4	-	377,214	8,901	3.00	-	-	-	-
	Lite-On Overseas Trading Co., Ltd.	Note 3	-	202,190	-	0.88	-	-	33,542	-
	Lite-On Mobile Pte. Ltd.	Note 3	-	-	1,215,235	-	-	-	-	-
G&W Technology (BVI) Limited	G&W Technology Limited	Note 4	-	-	135,882	-	-	-	-	-
Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited	Note 4	-	1,569,800	19,387	4.99	-	-	215,340	-
	Lite-On Technology (Changzhou) Co., Ltd.	Note 4	-	4,098,785	-	2.38	-	-	-	-
	Lite-On Technology (Dongguan) Co., Ltd.	Note 4	-	946,946	-	6.49	-	-	2,824	-
	Silitek Elec. (Dongguan) Co., Ltd.	Note 4	-	908,762	1,044	7.49	-	-	14,595	-
	Dong Guan G-Tech Computers Co., Ltd.	Note 4	-	610,462	-	2.28	100,657	-	-	-
	Huizhou Li Shin Electronic Co., Co., Ltd.	Note 4	-	129,945	3,056	3.93	-	-	15,941	-
	Dong Guan G-Pro Computer Co., Ltd.	Note 4	-	653,425	-	9.24	-	-	954	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Note 4	-	11,823,429	-	3.96	-	-	352,137	-
	Lite-On Opto Technology (Guangzhou) Ltd.	Note 4	-	351,488	2,315	2.71	-	-	-	-
	Lite-On IT Opto Technology (BH) Co., Ltd.	Note 4	-	5,179,481	274	2.75	-	-	2,013	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	3,213,315	-	7.76	-	-	14	-
Lite-On Automotive (Wuxi) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	204,493	4,329	2.59	-	-	60,949	-
Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Lite-On Technology (Shanghai) Ltd.	Note 4	-	714,165	39	2.60	-	-	165,703	-
	Lite-On Singapore Pte. Ltd.	Note 3	-	357,852	-	4.04	-	-	170,109	-
Gungzhou Lite-On Mobile Plastics Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	-	1,681,493	-	-	-	-	-
Gungzhou Lite-On Mobile Electronic Components Co., Ltd.	Zhuhai Lite-On Mobile Technology Co., Ltd.	Note 4	-	489	365,218	-	-	-	-	-
	Lite-On Mobile Pte. Ltd.	Note 3	-	325,774	-	1.49	-	-	106,465	-
Zhuhai Lite-On Mobile Technology Co., Ltd.	Lite-On Mobile Pte. Ltd.	Note 3	-	221,489	-	1.25	-	-	-	-
Silitech Technology Corp. Ltd.	Silitech Technology Corp.	Note 3	-	US\$ 6,515 JPY 6,201	-	3.35	-	-	US\$ - JPY -	-
Xurong Electronic (Shenzhen) Co., Ltd.	Silitech Technology Corp. Ltd.	Note 4	-	US\$ 6,846 JPY 6,201	-	3.18	-	-	US\$ - JPY -	-

(Continued)

Note 1: Equity-method investee.

Note 2: Investee of the equity-method investee.

Note 3: The Company's equity-method investee.

Note 4: Investee of the Company's equity-method investee.

(Concluded)

TABLE 8

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

NAMES, LOCATIONS, AND RELATED INFORMATION OF EQUITY-METHOD INVESTEEES
FOR THE SIX MONTHS ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars or Thousands of Foreign Currencies)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology Corporation	Slitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	\$ 324,685	\$ 324,685	60,757	33.87	\$ 1,270,432	\$ (90,980)	\$ (30,815)	Subsidiary
	Lite-On Integrated Service Inc.	Taipei City, Taiwan	Information outsourcing and system integrate	25,886	25,886	3,400	100.00	44,755	3,056	3,056	Subsidiary
	DragonJet Corporation	New Taipei City, Taiwan	Manufacture and sale of computer peripherals, printers, digital cameras, modules and plastic products	1,069,080	1,069,080	26,727	29.62	984,538	(14,076)	(4,170)	Associate
	Logah Technology Corp.	Kaohsiung City, Taiwan	Development, manufacture and sale of LCD TV inverters	389,240	389,240	31,683	28.10	174,942	(27,233)	(19,028)	Associate (Note 2)
	Lite-On Capital Corp.	Taipei City, Taiwan	Investment activities	4,096,367	4,096,367	209,545	100.00	1,497,331	56,575	12,437	Subsidiary
	Lite-On Electronics H.K. Ltd.	Hong Kong	Sale of LED optical products	7,339,481	7,339,481	17,865	100.00	13,226,355	HK\$ 315,373	1,365,060	Subsidiary
	Lite-On Electronics (Thailand) Co., Ltd.	Thailand	Manufacture and sale of LED optical products	529,106	529,106	5,030	100.00	1,472,728	THB 75,450	66,206	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	248,305	248,305	6,162	49.49	349,552	JPY 82,828	11,308	Subsidiary
	Lite-On International Holding Co., Ltd.	British Virgin Islands	Investment activities	US\$ 335,825	US\$ 335,825	335,825	100.00	20,620,606	US\$ (3,159)	(185,761)	Subsidiary
	LTC Group Ltd.	British Virgin Islands	Investment activities	\$ 1,098,752	\$ 1,098,752	32,916	100.00	197,982	US\$ (2,444)	(90,467)	Subsidiary
	Lite-On Technology USA, Inc.	USA	Investment activities	US\$ 55,172	US\$ 55,172	470	100.00	2,188,271	US\$ (726)	(18,537)	Subsidiary
	Lite-On Technology (Europe) Ltd.	United Kingdom	Manufacture and sale of power supplies	\$ 44,559	\$ 44,559	300	100.00	32,300	GBP 83	3,214	Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	2,543,184	2,543,184	331	54.00	273,553	EUR (269)	(4,834)	Subsidiary
	Lite-On Overseas Trading Co., Ltd.	British Virgin Islands	Merchandising business	168,947	168,947	5,143	100.00	214,152	US\$ (3,173)	(93,911)	Subsidiary
	Lite-On Singapore Pte. Ltd.	Singapore	Manufacture and supply computer peripheral products	US\$ 63,788	US\$ 63,788	51,777	100.00	18,993,014	US\$ 48,321	1,517,670	Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	\$ 773,618	\$ 773,618	57,204	18.42	1,338,887	\$ 248,414	44,193	Associate (Note 2)
	Lite-On Vietnam Co., Ltd.	Vietnam	Electronic contract manufacturing	US\$ 12,000	US\$ 12,000	-	100.00	345,652	US\$ 113	3,428	Subsidiary
	Li Shin International Enterprise Corp.	British Virgin Islands	Manufacture and sale of computer and appliance components	\$ 56,929	\$ 56,929	1,748	100.00	(62,327)	US\$ (2)	(66)	Subsidiary
	Eagle Rock Investment Ltd.	British Virgin Islands	Import and export business and investment activities	341	341	10	100.00	1,116,567	US\$ (2,283)	(69,459)	Subsidiary
	Canfield Ltd.	Apia, Samoa	Import and export business and investment activities	7,142	7,142	200	33.33	5,400	US\$ 59	607	Associate
	Lite-On Mobile Pte. Ltd.	Singapore	Manufacture and sale of mobile phone modules and design for assembly line	EUR 457,014	EUR 250,329	478,246	100.00	14,607,309	US\$ (15,655)	(478,993)	Subsidiary
	LET (HK) Ltd.	Hong Kong	Sale of optical disc drives	\$ 251,322	\$ 251,322	62,060	100.00	20,138	HK\$ (1,509)	(6,093)	Subsidiary
	High Yield Group Co., Ltd.	British Virgin Islands	Holding company	2,271,806	2,271,806	68,138	100.00	5,538,230	US\$ 4,422	273,459	Subsidiary
	Lite-On Information Technology B.V.	Netherlands	Market research and customer service	1,163,591	1,163,591	11,018	100.00	16,855	EUR (4)	(121)	Subsidiary
	Philip & Lite-On Digital Solutions Corp.	Taiwan	Sale of optical disc drives	267,113	267,113	17,150	49.00	290,586	\$ 63,609	31,169	Subsidiary
	Lite-Space Technology Company Limited	Hong Kong	Sale of computer components	149,968	149,968	5,100	39.23	75,071	US\$ 1,903	22,506	Associate
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Mexico	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	US\$ 4,950	US\$ 4,950	146	99.00	82,199	MXN 8,603	12,431	Subsidiary
	Lite-On Automotive Electronics (Europe) B.V.	Netherlands	Sale of automotive parts and other electronic products	EUR 1,090	EUR 1,090	24	100.00	39,285	EUR 4	128	Subsidiary
	Lite-On Automotive International (Cayman) Co., Ltd.	Cayman	Investment activities	US\$ 100,626	US\$ 100,626	11,967	100.00	2,062,689	US\$ 5,363	176,947	Subsidiary
	KBW-LITEON Jordan Private Shareholding Ltd.	Jordan	Production and manufacture of energy-saving lights and project	US\$ 6,069	US\$ 69	4,297	98.83	177,977	JOD (104)	(5,283)	Subsidiary
	Lite-On Power Electronic India Private Ltd.	India	Manufacture and sale of phone chargers and power supplies	INR 403,920	INR -	40,392	99.00	187,082	INR (4,903)	(2,260)	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2017		Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)			
Lite-On Capital Corp.	Slitech Technology Corp.	New Taipei City, Taiwan	Manufacture and sale of modules and plastic products	\$ 115,572	\$ 115,572	1,153	0.64	\$ 105,563	\$ (90,980)	- Subsidiary
	Lite-On Green Technologies Inc.	Taipei City, Taiwan	Manufacture and wholesale of electronic components and energy technology services	1,040,000	1,040,000	84,000	100.00	238,577	(3,996)	- Subsidiary
	Lite-On Green Energy (HK) Limited	Hong Kong	Investment activities	US\$ 3,000	US\$ 3,000	3,000	100.00	3,437	US\$ (1)	- Subsidiary
	Lite-On Technology (Europe) B.V.	Netherlands	Market research and after-sales service	\$ 2,126,479	\$ 2,126,479	282	46.00	231,176	EUR (269)	- Subsidiary
	Lite-On Semiconductor Corp.	New Taipei City, Taiwan	Manufacture of image sensor and rectifier	-	-	6,486	2.09	180,346	\$ 248,414	- Associate (Note 2)
Lite-On Green Technologies Inc.	Lite-On Green Energy (Singapore) Pte. Ltd.	Singapore	Investment activities	440,974	440,974	9,458	100.00	313,629	EUR 184	- Subsidiary
	Logah Technology Corp.	Kaohsiung City, Taiwan	Development, manufacture and sale of LCD TV inverters	74,538	74,538	4,141	3.67	22,865	\$ (27,233)	- Associate (Note 2)
	Five Dimension Co., Ltd.	Japan	Development, manufacture and sale of cell phone and camera lens modules	JPY 172,180	JPY 172,180	9	39.10	17,141	JPY (34,709)	- Associate
	Lite-On Green Technologies B.V.	Netherlands	Solar energy engineering	EUR 16,020	EUR 16,020	30	100.00	205,875	EUR (29)	- Subsidiary
	Lite-On Green Technologies (HK) Limited	Hong Kong	Solar energy engineering	US\$ 760	US\$ 760	4,000	100.00	(7,072)	US\$ (32)	- Subsidiary
Lite-On Green Energy (Singapore) Pte. Ltd.	Lite-On Green Energy B.V.	Netherlands	Investment activities	EUR 2,500	EUR 2,500	9,140	100.00	EUR 642	EUR 191	- Subsidiary
	KompaktSolar GmbH	Berlin, Germany	Solar energy engineering	EUR 401	EUR 401	51	51.00	EUR -	EUR -	- Associate
	China Bridge Express (Wuxi) Co., Ltd.	Wuxi, China	Express and sale of power supplies, printers, display devices and scanners	CNY 36,244	CNY 36,244	-	100.00	CNY 102,271	CNY 6,845	- Subsidiary
	Lite-On Opto Technology (Changzhou) Co., Ltd.	Changzhou, China	Development, manufacture of new-type electronic components and provide technology consulting services, maintenance equipment and after-sales services	CNY 85,015	CNY 85,015	-	12.59	CNY 74,009	CNY 11,203	- Subsidiary
	Lite-On Technology (Changzhou) Co., Ltd.	Changzhou, China	Development, manufacture, sale and installation of power supplies and transformers and provision technology consulting services, maintenance equipment and after-sales services	CNY 332,038	CNY 332,038	-	100.00	CNY 931,804	CNY 46,244	- Subsidiary
Lite-On Electronics (Jiangsu) Co., Ltd.	Lite-On Opto Technology (Changzhou) Co., Ltd.	Changzhou, China	Development, manufacture and sale of new-type electronic components and LED and provision technology consulting services, maintenance equipment and after-sales services	CNY 503,977	CNY 503,977	-	87.41	CNY 513,830	CNY 11,203	- Subsidiary
	Lite-On Medical Device (Changzhou) Ltd.	Changzhou, China	Manufacture and sale of medical equipment	CNY 30,640	CNY 30,640	-	100.00	CNY 25,988	CNY (1,676)	- Subsidiary
	Lite-On Computer (Changzhou) Co., Ltd.	Changzhou, China	Design, development, manufacture and sale of computer laptop keyboards and components and provision technology consulting services and after-sales services	CNY 55,924	CNY 55,924	-	100.00	CNY 52,648	CNY (1,080)	- Subsidiary
	Lite-On Automotive Holdings (Hong Kong) Co., Ltd.	Hong Kong	Investment activities	HK\$ 41,384	HK\$ 41,384	100,626	100.00	US\$ 68,087	HK\$ 41,622	- Subsidiary
	Lite-On IT International (HK) Ltd.	Hong Kong	Sale of optical disc drives	US\$ 102,400	US\$ 102,400	102,400	100.00	US\$ 200,885	US\$ 4,427	- Subsidiary
Lite-On Information Technology B.V.	Lite-On Information Technology GmbH	Germany	Sale of optical disc drives	EUR 25	EUR 25	-	100.00	EUR 37	EUR (2)	- Subsidiary
	Philips & Lite-On Digital Solutions Germany GmbH	Germany	Development and sale of modules of automotive recorders	\$ 1,326,996	\$ 1,326,996	-	100.00	895,847	EUR 357	- Subsidiary
	Philips & Lite-On Digital Solutions USA Inc.	USA	Sale of optical disc drives	33	33	1	100.00	241,200	US\$ 513	- Subsidiary
	Philips & Lite-On Digital Solutions Korea Ltd.	South Korea	Sale of optical disc drives	15,376	15,376	18	100.00	32,110	KRW 15,548	- Subsidiary
	Philips & Lite-On Digital Solutions Netherlands B.V.	Netherlands	Sale and design of optical disc drives	381,221	381,221	15	100.00	47,127	EUR 10	- Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Technology USA, Inc.	Lite-On, Inc.	USA	Sales data processing business of optoelectronic products and power supplies	US\$ 3,000	US\$ 3,000	3,000	100.00	US\$ 4,734	US\$ 8	-	Subsidiary
	Lite-On Trading USA, Inc.	California, USA	Sale of optical products	US\$ 31,500	US\$ 31,500	315	100.00	US\$ 32,855	US\$ (537)	-	Subsidiary
	Leotek Electronics USA LLC	USA	Sale of LED products	US\$ 5,792	US\$ 5,792	-	100.00	US\$ 10,253	US\$ 631	-	Subsidiary
	Power Innovations International, Inc.	USA	Development, design and manufacture of power control and energy management	US\$ 15,756	US\$ 15,756	12,916	95.25	US\$ 16,920	US\$ (226)	-	Subsidiary
	Lite-On Sales & Distribution Inc.	USA	Sale of optical disc drives	US\$ 4,765	US\$ 4,765	1	100.00	US\$ 2,729	US\$ (574)	-	Subsidiary
	Lite-On Technology Service, Inc.	USA	After-sales service of optical products	US\$ 1,500	US\$ 1,500	1	100.00	US\$ 1,659	US\$ 37	-	Subsidiary
Lite-On International Holding Co., Ltd	Lite-On China Holding Co., Ltd	British Virgin Islands	Manufacture and sale of computer cases	US\$ 399,442	US\$ 399,442	399,442	100.00	US\$ 704,738	US\$ (3,156)	-	Subsidiary
Lite-On Singapore Pte. Ltd.	LiteStar IV Holding (BVI) Co., Ltd.	British Virgin Islands	Investment activities	US\$ 27,000	US\$ 27,000	2	19.35	US\$ 24,078	\$ 113,446	-	Associate
	Lite-On Automotive Electronics Mexico, S.A. DE C.V.	Mexico	Production, manufacture, sale, import and export of photovoltaic device, key electronic components, telecommunications equipment, information technology equipment, semiconductor applications, general lighting, automotive electronics, renewable energy products and systems and maintenance of automotive industry	US\$ 50	US\$ 50	1	1.00	US\$ 27	MXN 8,603	-	Subsidiary
Lite-On Technology (Shanghai) Ltd	Lite-On Power Electronic India Private Ltd.	India	Manufacture and sale of phone chargers and power supplies	INR 4,080	INR -	408	1.00	US\$ 62	INR (4,903)	-	Subsidiary
	Lite-On Intelligent Technology (Yancheng) Corp.	Yancheng, China	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	CNY 19,427	CNY 19,427	-	100.00	CNY 30,489	CNY 486	-	Subsidiary
LTC Group Ltd.	Titanic Capital Services Ltd.	British Virgin Islands	Investment activities	\$ 529,106	\$ 529,106	8,655	100.00	US\$ 682	US\$ (39)	-	Subsidiary
Lite-On Technology (Europe) B.V.	LTC International Ltd.	British Virgin Islands	Manufacture and sale of system products	485,514	485,514	15,120	100.00	US\$ 13,652	US\$ (2,437)	-	Subsidiary
	Lite-On (Finland) Oy	Finland	Manufacture and sale of mobile phone modules and design for assembly line	EUR 76,674	EUR 76,674	3	100.00	EUR 11,498	EUR (280)	-	Subsidiary
Lite-On (Finland) Oy	Lite-On Mobile Oy (formerly: Perlos Oy)	Finland	Manufacture and sale of mobile phone modules and design for assembly line	EUR 196,618	EUR 196,618	52,937	100.00	EUR 11,208	EUR (280)	-	Subsidiary
Lite-On China Holding Co., Ltd.	Lite-On Electronics Co., Ltd.	Hong Kong	Investment activities	US\$ 360,760	US\$ 360,760	2,966,233	100.00	US\$ 694,583	HK\$ 938	-	Subsidiary
	Yet Foundate Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	CNY 73,220	CNY 73,220	68,430	100.00	US\$ 18,452	CNY (697)	-	Subsidiary
G&W Technology (BVI) Limited	I-Solutions Limited	British Virgin Islands	Original equipment manufacturer of electronic products	US\$ 1,500	US\$ 1,500	1,500	100.00	US\$ 1,500	US\$ -	-	Subsidiary
	Fordgood Electronic Ltd.	Hong Kong	Import and export and real estate business	US\$ 13,336	US\$ 13,336	105,450	100.00	US\$ 15,954	HK\$ 4,069	-	Subsidiary
Slittech Technology Corp.	G&W Technology (BVI) Limited	British Virgin Islands	Real estate management	US\$ 3,900	US\$ 3,900	3,900	50.00	US\$ 4,310	US\$ 271	-	Subsidiary
	G&W Technology Limited	Hong Kong	Leasing business	US\$ 65	US\$ 65	500	100.00	US\$ 1,578	US\$ 315	-	Subsidiary
Slittech (BVI) Holding Ltd.	Slittech (BVI) Holding Ltd.	British Virgin Islands	Investment activities	US\$ 95,182	US\$ 95,182	95,182	100.00	3,241,724	US\$ 251	-	Subsidiary
	Lite-On Japan Ltd.	Japan	Sale of LED optical products and power supplies	JPY 197,040	JPY 197,040	980	7.87	70,275	JPY 82,828	-	Subsidiary
Slittech (Bermuda) Holding Ltd.	Slittech (Bermuda) Holding Ltd.	Bermuda	Investment activities	US\$ 95,132	US\$ 95,132	95,132	100.00	US\$ 106,437	US\$ 249	-	Subsidiary
Slittech (Bermuda) Holding Ltd.	Slittech Technology Corp. Ltd.	Hong Kong	Manufacture of plastic and computer peripheral products	US\$ 8,000	US\$ 8,000	62,400	100.00	US\$ 29,213	CNY (10,534)	-	Subsidiary
	Slittech Technology Corp. Sdn. Bhd.	Malaysia	Manufacture of computer peripheral products	US\$ 5,632	US\$ 5,632	21,400	100.00	US\$ 11,543	MYR 7,860	-	Subsidiary
Slittech International (India) Private Limited	Slittech (Hong Kong) Holding Ltd.	Hong Kong	Investment activities	US\$ 77,200	US\$ 77,200	77,200	100.00	US\$ 55,070	CNY (7,302)	-	Subsidiary
	Slittech International (India) Private Limited	India	Development, manufacture and sale of automotive parts	US\$ 3,002	US\$ 3,002	4,173	100.00	US\$ 1,448	INR (2,238)	-	Subsidiary

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of June 30, 2017			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Note
				June 30, 2017	December 31, 2016	Shares (In Thousands)	Percentage of Ownership (%)	Carrying Value			
Lite-On Japan Ltd.	L&K Industries Philippines, Inc.	Philippines	Import and export business of electronic components	JPY 261,944	JPY 261,944	1,000	100.00	JPY 261,944	JPY (17,643)	\$	- Subsidiary (Note 1)
	Lite-On Japan (H.K.) Limited	Hong Kong	Import and export business of electronic components	JPY 70,000	JPY 70,000	50	100.00	JPY 70,000	JPY 2,991		- Subsidiary (Note 1)
	Lite-On Japan (Korea) Co., Ltd.	South Korea	Import and export business of electronic components	JPY 22,593	JPY 22,593	20	100.00	JPY 22,593	JPY -		- Subsidiary (Note 1)
	Lite-On Japan (Thailand) Co., Ltd.	Thailand	Import and export business of electronic components	JPY 65,939	JPY 65,939	200	100.00	JPY 65,939	JPY 18,017		- Subsidiary (Note 1)
Lite-On Japan (H.K.) Limited	NL (Shanghai) Co., Ltd.	China	Import and export business of electronic components	JPY 35,655	JPY 35,655	30	100.00	JPY 35,655	JPY 4,003		- Subsidiary (Note 1)
Lite-On Mobile Oyj (formerly: Petros Oyj)	Lite-On Mobile Sweden AB	Sweden	Manufacture and sale of mobile phone modules and design for assembly line	EUR 20,551	EUR 20,551	20	100.00	EUR 365	SEK 92		- Subsidiary
	Lite-On Mobile Industria e Comércio de Plásticos Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	EUR 2,509	EUR 2,509	6,507	3.03	EUR 316	BRL (1,180)		- Subsidiary
	Lite-On Mobile India Private Limited	India	Manufacture and sale of mobile phone modules and design for assembly line	EUR 4,436	EUR 4,436	33,536	11.59	EUR 2,424	INR 4,817		- Subsidiary
	Lite-On Mobile Industria e Comércio de Plásticos Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 106,802	US\$ 105,802	208,084	96.97	US\$ 11,603	BRL (1,180)		- Subsidiary
Lite-On Mobile Pre. Ltd.	Petros Precision Plastics Moulding Limited Liability Company	Hungary	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 733	US\$ 733	-	100.00	US\$ 935	EUR (41)		- Subsidiary
	Lite-On Mobile India Private Limited	India	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 47,239	US\$ 47,239	255,730	88.41	US\$ 21,069	INR 4,817		- Subsidiary
	Lite-On Young Fast Pte. Ltd.	Singapore	Investment activities	US\$ 7,864	US\$ 7,864	10	100.00	US\$ 3,483	US\$ (10)		- Subsidiary
	Yamada-Iom Fabricacao De Artefatos De Material Plastico Ltda.	Brazil	Manufacture and sale of mobile phone modules and design for assembly line	US\$ 540	US\$ 540	-	25.00	US\$ 41	BRL 881		- Associate
Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Yantai Lite-On Mobile Electronic Components Co., Ltd.	Yantai, China	Manufacture and sale of mobile phone modules and design for assembly line	CNY 20,000	CNY 20,000	-	100.00	CNY 43,283	CNY 2,696		- Subsidiary

Note 1: The Parent Company's grandchild company, investment income/losses and adjustment for changes in equities for using equity method recognized by the Parent Company.

Note 2: Information on net income (loss) of Investee has not been approved by its board of directors, so it is shown as an estimated amount. For final amount of net income (loss), refer to financial statements published on the Market Observation Post System.

Note 3: Please refer to Table 9 for information on investment in mainland China.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENT IN MAINLAND CHINA

FOR THE SIX MONTHS ENDED JUNE 30, 2017

(Amounts in Thousands of New Taiwan Dollars or Thousands of Foreign Currencies)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from January 1, 2017	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2017	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of June 30, 2017	Accumulated Inward Remittance of Earnings as of June 30, 2017	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Lite-On Computer Tech (Dongguan) Co., Ltd.	Manufacture and sale of display device	\$ 498,068 (US\$ 16,400)	Note 1	\$ 864,604 (US\$ 28,469)	-	\$ -	\$ 864,604 (US\$ 28,469)	\$ (6,174) (CNY -1,380)	100.00	\$ (6,174) (CNY -1,380)	\$ 406,852 (HK\$ 104,565)	-	-
	DongGuan G-Pro Computer Co., Ltd.	Manufacture and sale of system products	657,438 (HK\$ 168,968)	Note 1	692,466 (US\$ 22,801)	-	-	692,466 (US\$ 22,801)	179,945 (CNY 40,221)	100.00	179,945 (CNY 40,221)	1,327,435 (HK\$ 341,164)	-	-
	Lite-On Electronics (Tianjin) Co., Ltd.	ODM services	2,019,603 (US\$ 66,500)	Note 1	2,019,603 (US\$ 66,498)	-	-	2,019,603 (US\$ 66,498)	37,916 (CNY 8,475)	100.00	37,916 (CNY 8,475)	2,880,204 (HK\$ 740,241)	-	-
	Lite-On Electronics (Dongguan) Co., Ltd.	Manufacture of electronic components	1,075,098 (US\$ 35,400)	Note 1	1,075,098 (US\$ 35,400)	-	-	1,075,098 (US\$ 35,400)	573,156 (CNY 128,111)	100.00	573,156 (CNY 128,111)	2,000,635 (HK\$ 514,183)	-	-
	Silitek Elec. (Dongguan) Co., Ltd.	Manufacture and sale of keyboards	145,776 (US\$ 4,800)	Note 1	145,776 (US\$ 4,800)	-	-	145,776 (US\$ 4,800)	220,183 (CNY 49,215)	100.00	220,183 (CNY 49,215)	2,077,830 (HK\$ 534,023)	-	-
	Lite-On Electronics (Guangzhou) Co., Ltd.	Manufacture and sale of printers and scanners	1,111,542 (US\$ 36,600)	Note 1	1,111,542 (US\$ 36,600)	-	-	1,111,542 (US\$ 36,600)	185,300 (CNY 41,418)	100.00	185,300 (CNY 41,418)	11,750,366 (HK\$ 3,019,961)	-	Note 3
	China Bridge (China) Co., Ltd.	Investment, sales agent	911,100 (US\$ 30,000)	Note 1	911,100 (US\$ 29,745)	-	-	911,100 (US\$ 29,745)	32,472 (CNY 7,258)	100.00	32,472 (CNY 7,258)	1,235,983 (HK\$ 317,660)	-	-
	Lite-On Network Communication (Dongguan) Limited	Manufacture and sale of IT products	430,343 (US\$ 14,170)	Note 1	430,343 (US\$ 14,170)	-	-	430,343 (US\$ 14,170)	131,873 (CNY 29,476)	100.00	131,873 (CNY 29,476)	1,486,016 (HK\$ 381,921)	-	Note 3
	Lite-On Communications (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	745,887 (US\$ 24,560)	Note 1	745,887 (US\$ 24,560)	-	-	745,887 (US\$ 24,560)	-	100.00	-	-	-	-
	Dong Guan G-Tech Computers Co., Ltd.	Manufacture and sale of computer case	391,028 (HK\$ 100,498)	Note 1	391,028 (US\$ 11,500)	-	-	391,028 (US\$ 11,500)	84,825 (CNY 18,960)	100.00	84,825 (CNY 18,960)	720,353 (HK\$ 185,138)	-	Note 3
	Lite-On Tech (Guangzhou) Co., Ltd.	Manufacture and sale of computer case	1,008,284 (US\$ 33,200)	Note 1	1,008,284 (US\$ 33,200)	-	-	1,008,284 (US\$ 33,200)	-	100.00	-	-	-	-
	COMMIT Incorporated	Manufacture and sale of application software and multimedia product design	974,452 (US\$ 32,086)	Note 1	18,222 (US\$ 600)	-	-	18,222 (US\$ 600)	-	1.87	-	-	-	-
	Lite-On Elec and Wire (Guangzhou) Co., Ltd.	Manufacture and sale of mobile terminal equipment	480,150 (US\$ 15,810)	Note 1	480,150 (US\$ 15,810)	-	-	480,150 (US\$ 15,810)	-	100.00	-	-	-	Note 3
	Lite-On (Guangzhou) Infotech Co., Ltd.	Information outsourcing	38,570 (US\$ 1,270)	Note 1	71,187 (US\$ 2,344)	-	-	71,187 (US\$ 2,344)	7,261 (CNY 1,623)	100.00	7,261 (CNY 1,623)	166,842 (HK\$ 42,880)	-	-
	Lite-On (Guangzhou) Precision Tooling Co., Ltd.	Manufacture and sale of modules	552,734 (US\$ 18,200)	Note 1	370,514 (US\$ 12,200)	-	-	370,514 (US\$ 12,200)	-	100.00	-	-	-	Note 3
	Lite-On Digital Electronics (Dongguan) Co., Ltd.	Manufacture and sale of computer peripheral products	91,110 (US\$ 3,000)	Note 1	91,110 (US\$ 3,000)	-	-	91,110 (US\$ 3,000)	(1,776) (CNY -397)	100.00	(1,776) (CNY -397)	87,051 (HK\$ 22,373)	-	-
	Lite-On Li Shin Technology (Ganzhou) Co., Ltd.	Manufacture and sale of electronic components	364,440 (US\$ 12,000)	Note 1	405,014 (US\$ 13,336)	-	-	405,014 (US\$ 13,336)	4,214 (CNY 942)	100.00	4,214 (CNY 942)	399,572 (HK\$ 102,694)	-	-
	Lite-On Technology (Xiamen) Co., Ltd.	Manufacture and sale of electronic components	197,405 (US\$ 6,500)	Note 1	197,405 (US\$ 6,500)	-	-	197,405 (US\$ 6,500)	17,238 (CNY 3,853)	100.00	17,238 (CNY 3,853)	234,608 (US\$ 7,725)	-	-
	Lite-On Electronics (Jiangsu) Co., Ltd.	Development, manufacture, sale and installation of power supplies and transformers and provision of technology consulting services, maintenance equipment and precision instruments	4,585,870 (US\$ 151,000)	Note 1	4,585,870 (US\$ 151,000)	-	-	4,585,870 (US\$ 151,000)	237,528 (CNY 53,092)	100.00	237,528 (CNY 53,092)	7,215,526 (HK\$ 1,854,462)	-	-
	Lite-On Technology (Guangzhou) Investment Co., Ltd.	Investment activities	2,429,600 (US\$ 80,000)	Note 1	2,429,600 (US\$ 80,000)	-	-	2,429,600 (US\$ 80,000)	(482,792) (CNY -107,913)	100.00	(482,792) (CNY -107,913)	1,252,317 (HK\$ 321,858)	-	-
	Lite-On Technology (Ying Tan) Co., Ltd.	Manufacture and sale of electronic components	334,070 (US\$ 11,000)	Note 1	334,070 (US\$ 11,000)	-	-	334,070 (US\$ 11,000)	(75,300) (CNY -16,831)	100.00	(75,300) (CNY -16,831)	346,279 (US\$ 11,402)	-	-
	Lite-On Power Technology (Dongguan) Co., Ltd.	Development, manufacture and sale of electronic components, power supplies and provision technology consulting services	485,070 (US\$ 15,972)	Note 1	485,070 (US\$ 15,972)	-	-	485,070 (US\$ 15,972)	159,508 (CNY 35,653)	100.00	159,508 (CNY 35,653)	909,642 (HK\$ 233,787)	-	-
	Changzhou Leotek New Energy Trade Limited	Wholesale, import and export and installation of street lights, signal lights, scenery lights and new-type electronic components	30,370 (US\$ 1,000)	Note 1	30,370 (US\$ 1,000)	-	-	30,370 (US\$ 1,000)	(5,803) (CNY -1,297)	100.00	(5,803) (CNY -1,297)	8,683 (CNY 1,935)	-	-
	Lite-On Opto Technology (Guangzhou) Co., Ltd.	Manufacture and sale of optical disc drives	1,305,910 (US\$ 43,000)	Note 1	1,305,910 (US\$ 43,000)	-	-	1,305,910 (US\$ 43,000)	(21,354) (CNY -4,773)	100.00	(21,354) (CNY -4,773)	2,127,631 (US\$ 70,057)	-	-

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow of Investment from Taiwan as of January 1, 2017	Investment of Flows		Accumulated Outflow of Investment from Taiwan as of June 30, 2017	Net Income (Losses) of the Investee Company (Note 2)	Percentage of Ownership	Share of Profits/Losses (Note 2)	Carrying Amount as of June 30, 2017	Accumulated Inward Remittance of Earnings as of June 30, 2017	Note
						Outflow	Inflow							
Lite-On Technology Corporation	Lite-On Auto Electric Technology (Guangzhou) Ltd.	Manufacture and sale of optical disc drives	\$ 60,740 (US\$ 2,000)	Note 1	\$ 60,740 (US\$ 2,000)	-	\$ -	\$ 60,740 (US\$ 2,000)	\$ 16,840 (CNY 3,764)	100.00	\$ 16,840 (CNY 3,764)	\$ 148,449 (US\$ 4,888)	-	
	Lite-On IT Opto Tech (BHI) Co., Ltd.	Manufacture and sale of optical disc drives	\$ 1,670,350 (US\$ 55,000)	Note 1	\$ 1,670,350 (US\$ 55,000)	-	\$ -	\$ 1,670,350 (US\$ 55,000)	139,854 (CNY 31,260)	100.00	139,854 (CNY 31,260)	3,773,685 (US\$ 124,257)	-	
	Lite-On Automotive Electronics (Guangzhou) Co., Ltd.	Manufacture, sale and processing of electronic products	\$ 188,294 (US\$ 6,200)	Note 1	\$ 178,272 (US\$ 5,870)	-	\$ -	\$ 178,272 (US\$ 5,870)	123,216 (CNY 27,541)	100.00	123,216 (CNY 27,541)	1,445,069 (HK\$ 371,397)	-	
	Lite-On Automotive (Wuxi) Co., Ltd.	Manufacture, sale and processing of electronic products	\$ 151,850 (US\$ 5,000)	Note 1	\$ 151,850 (US\$ 5,000)	-	\$ -	\$ 151,850 (US\$ 5,000)	41,214 (CNY 9,212)	100.00	41,214 (CNY 9,212)	622,777 (HK\$ 160,060)	-	
	Huizhou Li Shin Electronic Co., Ltd.	Manufacture of computer peripheral products	\$ 191,559 (US\$ 6,308)	Note 1	\$ 123,576 (US\$ 4,069)	-	\$ -	\$ 123,576 (US\$ 4,069)	18,007 (CNY 4,025)	100.00	18,007 (CNY 4,025)	657,298 (US\$ 21,643)	-	
	Huizhou Fu Tai Electronic Co., Ltd.	Manufacture of computer peripheral products	\$ 29,419 (US\$ 969)	Note 1	\$ 1,974 (US\$ 65)	-	\$ -	\$ 1,974 (US\$ 65)	1,221 (CNY 273)	100.00	1,221 (CNY 273)	60,861 (US\$ 2,004)	-	
	Lite-On Technology (Shanghai) Ltd.	Manufacture and sale of energy saving equipment	\$ 2,156,270 (US\$ 71,000)	Note 1	\$ 2,156,270 (US\$ 71,000)	-	\$ -	\$ 2,156,270 (US\$ 71,000)	192,141 (CNY 42,947)	100.00	192,141 (CNY 42,947)	2,487,850 (US\$ 81,918)	-	
	Li Shin Technology (Huizhou) Ltd.	Manufacture and sale of new-type electronic components and peripheral materials	\$ 182,220 (US\$ 6,000)	Note 1	\$ -	-	\$ -	\$ -	2,353 (CNY 526)	100.00	2,353 (CNY 526)	378,319 (US\$ 12,457)	-	
	Beijing Lite-On Mobile Electronic and Telecommunication Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	\$ 485,920 (US\$ 16,000)	Note 1	\$ 1,590,295 (US\$ 52,364)	-	\$ -	\$ 1,590,295 (US\$ 52,364)	60,626 (CNY -13,551)	100.00	60,626 (CNY -13,551)	771,246 (US\$ 25,395)	-	
	Guangzhou Lite-On Mobile Engineering Plastics Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	\$ 594,341 (US\$ 19,570)	Note 1	\$ 2,752,342 (US\$ 90,627)	-	\$ -	\$ 2,752,342 (US\$ 90,627)	19,538 (CNY 4,367)	100.00	19,538 (CNY 4,367)	1,771,391 (US\$ 58,327)	-	
Philip & Lite-On Digital Solutions Corp.	Guangzhou Lite-On Mobile Electronic Components Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	\$ 1,217,837 (US\$ 40,100)	Note 1	\$ 3,503,240 (US\$ 115,352)	-	\$ -	\$ 3,503,240 (US\$ 115,352)	330,353 (CNY -73,840)	100.00	330,353 (CNY -73,840)	4,032,863 (US\$ 132,791)	-	
	Shenzhen Lite-On Mobile Precision Molds Co., Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	\$ 249,018 (HK\$ 64,000)	Note 1	\$ 396,359 (US\$ 13,051)	-	\$ -	\$ 396,359 (US\$ 13,051)	91,845 (CNY -20,529)	100.00	91,845 (CNY -20,529)	242,626 (US\$ 7,989)	-	
	Zhuhai Lite-On Mobile Technology Company Ltd.	Manufacture and sale of mobile phone modules and design for assembly line	\$ 2,600,930 (CNY 579,595)	Note 1	\$ 471,616 (US\$ 15,529)	-	\$ -	\$ 471,616 (CNY -109,865)	491,525 (CNY 140,191)	100.00	491,525 (CNY 140,191)	629,107 (CNY 15,823)	-	
	Lite-On Young Fast (Huizhou) Co., Ltd.	Modules of touch panels	\$ 303,700 (US\$ 10,000)	Note 1	\$ 197,405 (US\$ 6,500)	-	\$ -	\$ 197,405 (US\$ 6,500)	255 (CNY 57)	100.00	255 (CNY 57)	15,823 (US\$ -521)	-	
	Lite-on Green Technologies (Nanjing) Corporation	Solar energy engineering	\$ 22,778 (US\$ 750)	Note 1	\$ 22,778 (US\$ 750)	-	\$ -	\$ 22,778 (US\$ 750)	940 (CNY -210)	100.00	940 (CNY -210)	6,530 (US\$ -215)	-	
	Changzhou Binhui Thin Film Solar Greenhouse Co., Ltd.	Manufacture and sale of solar energy engineering	\$ 269,026 (CNY 59,950)	Note 1	\$ 91,019 (US\$ 2,997)	-	\$ -	\$ 91,019 (US\$ 2,997)	113,870 (CNY 25,452)	21.55	24,539 (CNY 5,485)	877,288 (CNY 195,496)	-	
	Epterytal (Changzhou) Co., Ltd.	Manufacture, design and sale of light-emitting diode products	\$ 4,403,650 (US\$ 145,000)	Note 1	\$ 819,990 (US\$ 27,000)	-	\$ -	\$ 819,990 (US\$ 27,000)	25,452 (CNY 5,485)	100.00	24,539 (CNY 5,485)	95,400 (CNY 21,482)	-	
	Dongguan Lite-On Computer Co., Ltd.	Manufacture and sale of computer hosts and components	\$ 60,740 (US\$ 2,000)	Note 1	\$ 60,740 (US\$ 2,000)	-	\$ -	\$ 60,740 (US\$ 2,000)	550 (CNY 123)	100.00	550 (CNY 123)	96,400 (CNY 21,482)	-	
	Philip & Lite-On Digital Solutions (Shanghai) Co., Ltd.	Sale of optical disc drives	\$ 30,370 (US\$ 1,000)	Note 1	\$ 30,370 (US\$ 1,000)	-	\$ -	\$ 30,370 (US\$ 1,000)	7,149 (CNY 1,598)	100.00	7,149 (CNY 1,598)	480,439	-	
	Silitech Technology Corp.	Xurong Electronic (Shenzhen) Co., Ltd.	Manufacture of automotive parts, touch panels and plastic & rubber assembly	\$ 85,221 (US\$ 2,800)	Note 1	\$ 203,354	-	\$ -	\$ 203,354	46,811 (CNY -10,452)	100.00	46,811 (CNY -10,452)	833,247 (CNY 185,607)	-
Silitech Technology (Suzhou) Co., Ltd.		Manufacture and sale of automotive parts	\$ 2,374,008 (US\$ 78,000)	Note 1	\$ 2,374,008 (US\$ 78,000)	-	\$ -	\$ 2,374,008 (US\$ 78,000)	34,365 (CNY -7,673)	100.00	34,365 (CNY -7,673)	1,579,698 (CNY 351,880)	58,398 (CNY 13,039)	
Suzhou Xulong Mold Producing Co., Ltd.		Development, manufacture and sale of precision modules and new-type electronic components (chip components, testing elements, hybrid integrated circuits)	\$ 136,962 (US\$ 4,500)	Note 1	\$ -	-	\$ -	\$ -	31 (CNY -7)	60.00	18 (CNY -4)	1,778 (CNY 396)	-	

Investor Company	Accumulated Investment in Mainland China as of June 30, 2017	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
Lite-On Technology Corporation	\$ 34,399,461 (US\$1,132,679)	\$ 37,049,882 (US\$1,219,950)	Note 4
Philip & Lite-On Digital Solutions Corp.	\$ 30,370 (US\$1,000)	\$ 30,370 (US\$1,000)	
Silitech Technology Corp.	\$ 2,668,670 (US\$81,000) (NT\$203,354)	\$ 2,817,959 (US\$85,905) (NT\$203,354)	

(Continued)

Note 1: Indirect investment in Mainland China through holding companies.

Note 2: The financial statements used as basis for calculating the investment amounts were all unaudited, except those of Silitech Technology (SuZhou) Co., Ltd., Xurong Electronic (Shenzhen) Co., Ltd., Lite-On Electronics (Guangzhou) Co., Ltd., Lite-On Technology (Changzhou) Co., Ltd., Lite-On Opto Technology (Changzhou) Co., Ltd., Guangzhou Lite-On Mobile Electronic Components Co., Ltd., Zhuhai Lite-On Mobile Technology Company Ltd.

Note 3: Lite-On Electronics (Guangzhou) Co., Ltd. merged with Lite-On Tech (Guangzhou) Co., Ltd., Lite-On (Guangzhou) Precision Tooling Co., Ltd., Lite-On Communications (Guangzhou) Co., Ltd. and Lite-On Elec and Wire (Guangzhou) Co., Ltd., with the Lite-On Electronics (Guangzhou) Co., Ltd. as the surviving entity. Because the merging process was still under way as of June 30, 2017, the change in the amount of investment in mainland China has not yet been registered with the Ministry of Economic Affairs.

Note 4: Under Order No. 09704604680 and Order No. 10420404350 issued by the Ministry of Economic Affairs, R.O.C. on August 29, 2008 and February 16, 2015, respectively, the Parent Company acquired a certification - approved by the Industrial Development Bureau and valid from February 9, 2015 to February 8, 2018 - of its status as operation headquarters in the ROC. Thus, the Parent Company has no limitation on the amount of investing in mainland China.

Note 5: Calculated based on 60% of Philip & Lite-On Digital Solutions Corp.'s net worth.

Note 6: Calculated based on 60% of Silitech Technology Corp.'s net worth or consolidated net worth, whichever is higher, plus accumulated inward remittance of share capital or earnings from subsidiaries in mainland China as of June 30, 2017.

(Concluded)

LITE-ON TECHNOLOGY CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE SIX MONTHS ENDED JUNE 30, 2017
(Amounts in Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statements Item	Amount	Terms	
0	Lite-On Technology Corporation	Philip & Lite-On Digital Solutions Corp. Philip & Lite-On Digital Solutions Corp. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd. Lite-On Trading USA, Inc. Li Shin International Enterprise Corp. Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	a. a. a. a. a. a. a. a. a. c.	Sales Accounts receivable Sales Purchases Accounts payable Sales Purchases Accounts receivable Purchases Accounts payable	\$ 9,566,849 6,550,145 1,531,347 10,069,123 7,112,179 2,401,748 1,274,076 2,593,742 39,333,999 21,971,471	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	9 3 1 10 4 2 1 1 38 11
1	Philip & Lite-On Digital Solutions Corp.	Philip & Lite-On Digital Solutions USA Inc. Philip & Lite-On Digital Solutions USA Inc.	c. c.	Sales Accounts receivable	4,030,064 2,556,730	Cost-plus pricing Cost-plus pricing	4 1
2	Lite-On Network Communication (Dongguan) Limited	Lite-On Overseas Trading Co., Ltd.	c.	Sales	6,398,935	Cost-plus pricing	6
3	Lite-On Opto Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	1,703,702	Cost-plus pricing	2
4	Lite-On Technology (Changzhou) Co., Ltd.	Lite-On Singapore Pte. Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Sales	5,089,860 3,517,318	Cost-plus pricing Cost-plus pricing	5 3
5	Lite-On Electronics (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	6,383,038	Cost-plus pricing	6
6	Silitek Elec. (Dongguan) Co., Ltd.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Accounts receivable	3,756,089 2,228,619	Cost-plus pricing Cost-plus pricing	4 1
7	Dong Guan G-Tech Computers Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	1,374,170	Cost-plus pricing	1
8	DongGuan G-Pro Computer Co., Ltd.	Lite-On Overseas Trading Co., Ltd.	c.	Sales	4,922,024	Cost-plus pricing	5
9	Lite-On Electronics (Guangzhou) Co., Ltd.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Accounts receivable	15,409,185 6,507,506	Cost-plus pricing Cost-plus pricing	15 3
10	Lite-On IT Opto Tech (BH) Co., Ltd.	Lite-On Overseas Trading Co., Ltd. Lite-On Overseas Trading Co., Ltd.	c. c.	Sales Accounts receivable	7,455,439 2,807,111	Cost-plus pricing Cost-plus pricing	7 1

(Continued)

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transaction			% of Consolidated Net Revenue or Total Assets (Note 3)
				Financial Statements Item	Amount	Terms	
11	Lite-On Electronics (Thailand) Co., Ltd.	Lite-On Singapore Pte. Ltd.	c.	Sales	\$ 1,773,406	Cost-plus pricing	2
12	Lite-On Singapore Pte. Ltd.	Lite-On Technology (Shanghai) Ltd. Lite-On Electronics H.K. Ltd. Lite-On Trading USA, Inc.	c. c. c.	Sales Sales Sales	1,682,381 1,135,686 2,428,600	Cost-plus pricing Cost-plus pricing Cost-plus pricing	2 1 2
13	Lite-On Overseas Trading Co., Ltd.	Lite-On Network Communication (Dongguan) Limited Lite-On Technology (Changzhou) Co., Ltd. Lite-On Technology (Changzhou) Co., Ltd. Lite-On Electronics (Dongguan) Co., Ltd. Silitek Elec. (Dongguan) Co., Ltd. DongGuan G-Pro Computer Co., Ltd. Lite-On Electronics (Guangzhou) Co., Ltd. Lite-On Electronics (Guangzhou) Co., Ltd. Lite-On IT Opto Tech (BH) Co., Ltd. Lite-On IT Opto Tech (BH) Co., Ltd. Lite-On Singapore Pte. Ltd. Lite-On Singapore Pte. Ltd.	c. c. c. c. c. c. c. c. c. c. c. c.	Sales Sales Accounts receivable Sales Sales Sales Accounts receivable Sales Accounts receivable Accounts receivable Sales Accounts receivable	4,944,788 5,675,005 4,098,785 4,428,200 2,743,396 4,218,521 21,758,883 11,823,429 7,243,439 5,179,481 10,737,201 3,213,315	Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing Cost-plus pricing	5 5 2 4 3 4 21 6 7 3 10 2

Note 1: The Parent Company and its subsidiaries are coded as follows:

- The Parent Company is coded "0".
- The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Nature of relationship is as follows:

- From the Parent Company to its subsidiary.
- From a subsidiary to the Parent Company.
- Between subsidiaries.

Note 3: The percentage calculation is based on the consolidated total operating revenue or total assets. For balance sheet items, each item's period-end balance is shown as a percentage to consolidated total assets as of June 30, 2017. For profit or loss items, cumulative amounts are shown as a percentage to consolidated total operating revenue for the three months ended June 30, 2017.

Note 4: The intercompany transactions have been eliminated from consolidation.

Note 5: The above table only discloses each of the related-party transactions which amount to at least 1% of total revenue or total assets, while the reverse flow of transactions are not additionally disclosed.

(Concluded)